



SEC FORM - I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended December 31, 2018
2. SEC Identification Number CS200711792 3. BIR Tax Identification No. 006-806-867
4. Exact name of issuer as specified in its charter GT CAPITAL HOLDINGS, INC.
5. Metro Manila, Philippines
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. 43rd GT Tower International 6813 Ayala Ave., cor. H.V. Dela Costas St. Makati City
Address of principal office 1227
Postal Code
8. (632) 836-4500
Issuer's telephone number, including area code
9. N/A.....
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

| | COMPLIANT/ NON- COMPLIANT | ADDITIONAL INFORMATION | EXPLANATION |
|---|---------------------------------|--|-------------|
| The Board's Governance Responsibilities | | | |
| Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders. | | | |
| Recommendation 1.1 | | | |
| <p>1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.</p> | <p>Compliant</p> | <p><i>Provide information or link/reference to a document containing information on the following:</i></p> <ol style="list-style-type: none"> 1. <i>Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors</i> 2. <i>Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance</i> <p>GT Capital Holding Inc.'s ("GT Capital") Website https://www.gtcapital.com.ph/about/board-of-directors</p> <p>The business experience of the members of the Board for the last five (5) years.</p> <p><u>Definitive Information Statement for the year 2019 ("DIS")</u> Item 5. Directors & Executive Officers of the Registrant, pp. 10-12. http://edge.pse.com.ph/openDiscViewer.do?edge_no=8c1f4eb1fa542bebdfc15ec263a54d#sthash.mzjbRxW0.dpbs</p> | |

| | | | |
|--|-----------|--|--|
| 2. Board has an appropriate mix of competence and expertise. | Compliant | (see above) | |
| 3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization. | Compliant | | |
| Recommendation 1.2 | | | |
| 1. Board is composed of a majority of non-executive directors. | Compliant | <p><i>Identify or provide link/reference to a document identifying the directors and the type of their directorships.</i></p> <p>Only one (1) director, Carmelo Maria Luza Bautista, is also an executive officer. The rest of the Board is composed of non-executive directors.</p> <p><u>DIS, Item 5. Directors & Executive Officers of the Registrant, pp. 8-9</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=8c1f4eb1fa542bebefdfc15ec263a54d#sthash.mzjbRxW0.dpbs</p> | |
| Recommendation 1.3 | | | |

| | | | |
|---|------------------|---|--|
| <p>1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.</p> | <p>Compliant</p> | <p><i>Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.</i></p> <p>The incumbent as well as newly-elected directors are required to attend a seminar on corporate governance which shall be conducted by a duly-recognized private or government institute.</p> <p><u>Manual on Corporate Governance (MCG) amended as of May 08, 2019</u> Section 4.2 Training Process, p. 24 & Annex D: Corporate Governance Committee Charter https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |
|---|------------------|---|--|

| | | | |
|--|------------------|---|--|
| <p>2. Company has an orientation program for first time directors.</p> | <p>Compliant</p> | <p><i>Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.</i></p> <p>It is the Company's policy to require its first-time directors to undergo an orientation program on SEC-mandated topics on corporate governance and an introduction to the Corporation's business, Manual on Corporate Governance, Articles of Incorporation and By-Laws and to encourage and support its directors as regards annual attendance in continuing education and development programs on corporate directorship.</p> <p><u>MCG</u> Section 2.2.2.7, p.12 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> <p>New directors were also oriented regarding GT Capital's core businesses. A budget is also in place for continuous professional education to ensure the continuous effective performance of their functions and to keep its directors abreast of relevant and latest developments. In 2018, directors of the Corporation attended various programs on corporate governance, details of which can be found in the Annual Report.</p> <p><u>Annual Report</u>, p. 65 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |
|--|------------------|---|--|

| | | | |
|--|------------------|--|--|
| <p>3. Company has relevant annual continuing training for all directors.</p> | <p>Compliant</p> | <p>A budget is also in place for continuous professional education to ensure the continuous effective performance of their functions and to keep its directors abreast of relevant and latest developments. In 2018, directors of the Corporation attended various programs on corporate governance, details of which can be found in the Annual Report.</p> <p><u>Annual Report</u>, p. 65 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> <p><u>GT Capital's Website</u></p> <p>Orientation and Continuing Education Initiatives https://www.gtcapital.com.ph/meetings-seminars</p> | |
| <p>Recommendation 1.4</p> | | | |

| | | | |
|---|-----------|---|--|
| 1. Board has a policy on board diversity. | Compliant | <p><i>Provide information on or link/reference to a document containing information on the company's board diversity policy.</i></p> <p><u>MCG</u> Section 2.2.2.5, pp. 11-12 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> <p><i>Indicate gender composition of the board.</i></p> <p><u>Results of Annual Stockholders' Meeting ("Results of ASM") held on May 09, 2018</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=3cb4d13d0185586943ca035510b6ec2b#sthash.YF0I9Ylr.dpbs</p> <p><u>Results of Annual Stockholders' Meeting ("Results of ASM") held on May 08, 2019</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=e81bd84a65503cc5efdfc15ec263a54d#sthash.nVNrSxoS.dpbs</p> | |
| Optional: Recommendation 1.4 | | | |

| | | | |
|---|------------------|--|--|
| <p>1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.</p> | <p>Compliant</p> | <p><i>Provide information on or link/reference to a document containing the company's policy and measurable objectives for implementing board diversity.</i></p> <p><i>Provide link or reference to a progress report in achieving its objectives.</i></p> <p>While there are currently no female independent directors on the board, the Corporation values and promotes a policy on board diversity through the input of its female advisers and senior executive officers who attend the board meetings.</p> <p>The policy on board diversity is in the Corporation's MCG and is considered by the Nomination Committee in preparing the final list of candidates for nomination to the Board of Directors.</p> <p><u>MCG</u> Section 2.2.2.5, pp. 11-12 Annex A. Nominations Committee Charter, pp. 1-2 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> <p><u>Annual Report</u>, p. 63 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |
|---|------------------|--|--|

Recommendation 1.5

| | | | |
|--|-----------|--|--|
| 1. Board is assisted by a Corporate Secretary. | Compliant | <i>Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.</i> | |
| 2. Corporate Secretary is a separate individual from the Compliance Officer. | Compliant | <p>The Corporate Secretary, Antonio V. Viray, is not a member of the Board and is not the Corporation's Compliance Officer.</p> <p><u>Annual Report</u>, p. 88 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |
| 3. Corporate Secretary is not a member of the Board of Directors. | Compliant | <p><u>Duties and Functions - MCG Section 2.5.1</u>, pp.19-20 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |

| | | | |
|---|------------------|--|--|
| <p>4. Corporate Secretary attends training/s on corporate governance.</p> | <p>Compliant</p> | <p><i>Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered.</i></p> <p>The Corporate Secretary attended the Advanced Corporate Governance Training Program provided by the Institute of Corporate Directors for at least four (4) hours. The topics covered include Digital Trade-Offs and Sustainability in the Boardroom.</p> <p><u>Advisement Letter on Attendance in Advanced Corporate Governance Training Program</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=e4278378d11d73f143ca035510b6ec2b#sthash.FT7qjb1W.dpbs</p> | |
| <p>Optional: Recommendation 1.5</p> | | | |

| | | | |
|--|------------------|---|--|
| <p>1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.</p> | <p>Compliant</p> | <p><i>Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting</i></p> <p>The Corporate Secretary herein certifies that materials for board meetings are distributed at least five (5) business days before scheduled meetings, in accordance with his duties and responsibilities. The certification is attached as Annex "A".</p> <p><u>MCG</u> Section 2.5.1(g) p. 19 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |
| <p>Recommendation 1.6</p> | | | |

| | | | |
|---|-----------|--|--|
| 1. Board is assisted by a Compliance Officer. | Compliant | <p>Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.</p> <p>GT Capital's Compliance Officer/ Head of Legal and Compliance Department, Atty. Renee Lynn Miciano-Atienza, is ranked Vice President and is not a member of the Board.</p> <p>Qualifications – <u>Annual Report</u>, p. 89 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> <p>Duties and Functions – <u>MCG</u> Section 2.7, pp. 21-22 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |
| 2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation. | Compliant | | |
| 3. Compliance Officer is not a member of the board. | Compliant | | |

| | | | |
|--|------------------|--|--|
| <p>4. Compliance Officer attends training/s on corporate governance.</p> | <p>Compliant</p> | <p><i>Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered</i></p> <p>On July 18, 2018, Atty. Miciano-Atienza attended the ASEAN Corporate Governance Scorecard ("ACGS") for Publicly-Listed Companies.</p> <p><u>Advisement Letter on Attendance in ACGS for Publicly-Listed Companies</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=8042d66ffa089d943ca035510b6ec2b#sthash.fsRPZINS.dpbs</p> <p>Atty. Miciano-Atienza attended the Advanced Corporate Governance Training Program provided by the Institute of Corporate Directors, for at least four (4) hours.</p> <p><u>Advisement Letter on Attendance in Advanced Corporate Governance Training Program</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=e4278378d11d73f143ca035510b6ec2b#sthash.kEl6sDy3.dpbs</p> | |
|--|------------------|--|--|

Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.

Recommendation 2.1

| | | | |
|---|------------------|---|--|
| <p>1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.</p> | <p>Compliant</p> | <p><i>Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)</i></p> <p>The directors attend and actively participate in board and committee meetings. Pursuant to the Manual on Corporate Governance, directors undertake to conduct fair business transactions with the Corporation, devote time and attention to the Corporation, act judicially and exercise independent judgment on the Corporation's issues, and observe confidentiality.</p> <p><u>MCG</u> Section 2.1.3, pp. 5-6 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |
|---|------------------|---|--|

Recommendation 2.2

| | | | |
|---|-----------|--|--|
| 1. Board oversees the development, review and approval of the company's business objectives and strategy. | Compliant | <p><i>Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting)</i></p> <p><i>Indicate frequency of review of business objectives and strategy</i></p> | |
| 2. Board oversees and monitors the implementation of the company's business objectives and strategy. | Compliant | <p>The Board, pursuant to its duty to oversee the Corporation's business objectives, reviews and discusses the Corporation's strategic direction before the start of each fiscal year, taking into consideration the estimated budget and forecasts presented by Management. Questions as to key strategies and goals are also included in the Board and Director self-assessment forms.</p> <p><u>MCG</u> Section 2.1.2(b), p. 4 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> <p><u>Annual Report</u>, p. 62 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |

Supplement to Recommendation 2.2

| | | | |
|---|------------------|---|--|
| <p>1. Board has a clearly defined and updated vision, mission and core values.</p> | <p>Compliant</p> | <p><i>Indicate or provide link/reference to a document containing the company's vision, mission and core values.</i></p> <p>GT Capital's website https://www.gtcapital.com.ph/about/vision-mission</p> <p><i>Indicate frequency of review of the vision, mission and core values.</i></p> <p>Management reviews the vision, mission and core values of the Corporation annually. Any proposed amendments are approved by the Board.</p> | |
| <p>2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.</p> | <p>Compliant</p> | <p><i>Provide information on or link/reference to a document containing information on the strategy execution process.</i></p> <p>The business strategy of the Corporation is developed by the Management Committee, with guidance from the Executive Committee, in an annual strategic planning session held every November. The Management Committee is guided by the Executive Committee, which is comprised of key members of the Board. The strategies and objectives formulated by the Management Committee are then conveyed to the relevant personnel and all material transactions and acts are approved by the relevant Committees and the Board.</p> | |

Recommendation 2.3

1. Board is headed by a competent and qualified Chairperson.

Compliant

Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications

The Corporation's Chairperson is Mr. Arthur Vy Ty.

Qualifications –
Annual Report, pp. 83-84
https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf

Recommendation 2.4

| | | | |
|---|-------------------------|--|--|
| <p>1. Board ensures and adopts an effective succession planning program for directors, key officers and management.</p> | <p><i>Compliant</i></p> | <p><i>Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation</i></p> <p>Pursuant to GT Capital's ongoing development of its succession planning policy, in March 2018, GT Capital requested a third-party assessor to evaluate its officers and employees to assume more challenging roles in the Corporation. The assessment focused on the competence and effectiveness of each individual's performance in 2017.</p> <p>Recognizing the needs for continuing education and development of its employees, GT Capital's HR and Administration Department identifies programs and allocates a budget that allows employees to acquire and enhance technical leadership and behavioral competencies. Both employees and Senior Management are likewise encouraged to attend programs which address any competency gaps and which expose them to the latest concepts, information and techniques in their respective field as well as to further build their competencies in preparation for higher responsibilities in the future. These training and development programs supplement the mentoring provided by each Department Head and the President to the officers of GT Capital.</p> <p>https://www.gtcapital.com.ph/corporate-governance-updates</p> | |
|---|-------------------------|--|--|

| | | | |
|---|-------------------------|---|--|
| <p>2. Board adopts a policy on the retirement for directors and key officers.</p> | <p><i>Compliant</i></p> | <p>Retirement age for officers is 55 years old; however, the term of such officers may be extended.</p> <p>The retirement policy, which includes retirement benefits for officers and other employees, may be found in the GT Capital's Employee Handbook.</p> <p>The Head of Human Resources and Administration certifies to the existence of an employee handbook. The certification is attached as Annex "B".</p> <p><u>Employee Handbook</u> Section 5.10</p> | |
| <p>Recommendation 2.5</p> | | | |

| | | | |
|--|------------------|---|--|
| <p>1. Board aligns the remuneration of key officers and board members with long-term interests of the company.</p> <p>2. Board adopts a policy specifying the relationship between remuneration and performance.</p> | <p>Compliant</p> | <p><i>Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.</i></p> <p>The Compensation Committee is tasked to develop a policy on remuneration of directors and key officers of the Corporation and to ensure that their compensation is consistent with the Corporation's culture, strategy, long-term interests and the business environment in which it operates.</p> <p>Remuneration of directors (including Independent and Non- Executive Directors) consists of per diem and transportation allowances as well as a year-end bonus which is not dependent on performance. Directors do not receive any remuneration in the nature of options or performance shares.</p> <p><u>Annual Report</u>, p. 65 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |
|--|------------------|---|--|

| | | | |
|--|------------------|--|--|
| <p>3. Directors do not participate in discussions or deliberations involving his/her own remuneration.</p> | <p>Compliant</p> | <p>Directors are disallowed to decide on their own remuneration.</p> <p><u>MCG</u> Section 2.2.3.2(a), p. 12 Annex B Compensation Committee Charter, pp. 1-2 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |
| <p>Optional: Recommendation 2.5</p> | | | |
| <p>1. Board approves the remuneration of senior executives.</p> | | <p><i>Provide proof of board approval</i></p> | |
| <p>2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.</p> | | <p><i>Provide information on or link/reference to a document containing measurable standards to align performance-based remuneration with the long-term interest of the company.</i></p> | |
| <p>Recommendation 2.6</p> | | | |

| | | | |
|---|-----------|--|--|
| 1. Board has a formal and transparent board nomination and election policy. | Compliant | Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders. | |
| 2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance. | Compliant | <p>The Nominations Committee pre-screens and short-lists all candidates for the Board as well as nominations to other positions requiring Board approval in accordance with qualifications and disqualifications under the Manual on Corporate Governance.</p> <p><u>MCG</u> Section 2.2.2, pp. 8-11 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |

| | | | |
|--|------------------|---|--|
| <p>3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.</p> | <p>Compliant</p> | <p><i>Provide proof if minority shareholders have a right to nominate candidates to the board</i></p> <p>All shareholders, including minority shareholders, may nominate candidates to the Board provided that the said nomination is made at least forty-five (45) days before the ASM and the prospective candidate is qualified under the Corporation Code and this Manual, as shown by his Curriculum Vitae, which should be submitted when the nomination is made. Nominations, along with the nominee's Curriculum Vitae, shall be submitted to the Corporate Secretary, who shall provide the members of the Nominations Committee with copies thereof.</p> <p><u>MCG</u> Section 6.3.7, p. 27 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |
|--|------------------|---|--|

| | | | |
|---|------------------|---|--|
| <p>4. Board nomination and election policy includes how the board shortlists candidates.</p> | <p>Compliant</p> | <p>The Nominations Committee pre-screens and short-lists all candidates for the Board as well as nominations to other positions requiring Board approval in accordance with qualifications and disqualifications under the Manual on Corporate Governance.</p> <p><u>MCG</u> Section 2.2.2, p. 8-11 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |
| <p>5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.</p> | <p>Compliant</p> | <p><i>Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.</i></p> <p>GT Capital has adopted its Board, Committee (including the Nominations Committee), and Individual Director's Self-Assessment Forms in order for the Corporation to annually evaluate the performance of its Board, committee and individual directors and to assess the efficiency of its processes in relation to the Board and its Committees.</p> <p><u>Annual Report</u>, P. 62 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |

| | | | |
|---|------------------|---|--|
| <p>6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.</p> | <p>Compliant</p> | <p>In reviewing and evaluating the qualifications of candidates for nomination to the Board, the Nominations Committee considers the Corporation's vision, mission, corporate objectives, and strategic direction. The Nominations Committee also considers the skills and competencies of the currently serving directors, identifies the gaps in skills and searches for candidates to fill in these gaps.</p> <p><u>Annual Report, p. 63</u> https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> <p>GT Capital has adopted its Board, Committee (including the Nominations Committee), and Individual Director's Self-Assessment Forms in order for the Corporation to annually evaluate the performance of its Board, committee and individual directors and to assess the efficiency of its processes in relation to the Board and its Committees.</p> <p><u>Annual Report, P. 62</u></p> | |
| <p>Optional: Recommendation to 2.6</p> | | | |

| | | | |
|---|------------------|---|--|
| <p>1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.</p> | <p>Compliant</p> | <p><i>Identify the professional search firm used or other external sources of candidates</i></p> <p>GT Capital, in line with its policies, requested in February 2018 a list of recommended candidates as independent directors from the Institute of Corporate Directors.</p> <p><u>GT Capital Website</u> https://www.gtcapital.com.ph/corporate-governance-updates</p> | |
| <p>Recommendation 2.7</p> | | | |
| <p>1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.</p> | <p>Compliant</p> | <p><i>Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs</i></p> <p><i>Identify transactions that were approved pursuant to the policy.</i></p> <p>The Corporate Governance and Related Party Transactions Committee ensures that RPTs are properly reviewed and approved for fairness and transparency.</p> <p><u>MCG</u> Section 2.1.3 (e), p. 6 Annex D – Corporate Governance and Related Party Transactions Committee Charter, pp. 2-3 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%20,%202019.pdf</p> | |

| | | | |
|--|--------------------------------------|--|--|
| <p>2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.</p> <p>3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.</p> | <p>Compliant</p> <p>Compliant</p> | <p>The MCG was amended on June 07, 2018 to include a provision that the Corporate Governance and Related Party Transactions Committee shall pass upon and provide clearance for RPTs which involve disbursements of funds exceeding Pesos: One Hundred Million (Php100M). Since the amendment, no RPTS were approved pursuant to the policy</p> <p>Transactions approved by the Committee but prior to the approval of the policy are as follows:</p> <p><u>Subscription in Metrobank Stock Rights Offer</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=93d42a33fbc92ab843ca035510b6ec2b#sthash.MY50R7yt.dpbs</p> <p><u>Investment in Toyota Motor Corporation Shares</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=ccbf62a64d206c7b43ca035510b6ec2b#sthash.JkaGMSoS.dpbs</p> | |
| Supplement to Recommendations 2.7 | | | |

| | | | |
|--|------------------|---|--|
| <p>1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.</p> | <p>Compliant</p> | <p><i>Provide information on a materiality threshold for RPT disclosure and approval, if any.</i></p> <p><i>Provide information on RPT categories</i></p> <p>Material RPT Transactions, approved by the Corporate Governance and Related Party Transactions Committee as well as the Board of Directors, are those transactions where the amount involved is equal or greater than One Hundred Million Pesos (Php100,000,000.00).</p> <p><u>MCG</u> Annex D – Corporate Governance and Related Party Transactions Committee Charter, p. 3 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%202019.pdf</p> | |
|--|------------------|---|--|

| | | | |
|--|----------------------|---|---|
| <p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p> | <p>Non-Compliant</p> | <p><i>Provide information on voting system, if any.</i></p> | <p>All matters in the agenda subject to the vote of the stockholders shall be decided by the plurality vote of stockholders present in person or by proxy, except in cases where the law provides otherwise. As provided by law, the declaration of stock dividends is subject to approval of stockholders representing not less than two-thirds (2/3) of the outstanding capital stock. However, for election of directors, every stockholder may cumulate his shares in accordance with the Corporation Code, and each outstanding share of stock entitles the registered stockholder to one vote. As required by the ASEAN Corporate Governance Scorecard, the final tally of votes will be reflected in the minutes of the meeting. The voting was by poll and the votes of stockholders who attended in person or by proxy were received and tabulated by the Corporation's Stock Transfer Agent, MBTC-Trust Banking Group, and validated by the external auditor.</p> <p>Minutes of the May 09, 2018 Annual Stockholders Meeting Item No. 3 Voting Procedures, p.1. https://www.qtcapital.com.ph/storage/uploads/asm/ASM%202018%20Minutes%20FINAL%20v4.pdf</p> |
| <p>Recommendation 2.8</p> | | | |

| | | | |
|--|------------------|--|--|
| <p>1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p> | <p>Compliant</p> | <p><i>Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management. Identity the Management team appointed</i></p> <p><u>Amended By-Laws of GT Capital</u> Article V, Section 1, p. 8. https://www.gtcapital.com.ph/storage/uploads/2018/06/Amended%20By-Laws.pdf</p> <p>George S.K. Ty – Chairman Emeritus Arthur Vy Ty – Chairman Francisco C. Sebastian – Co-Vice Chairman Alfred Vy Ty – Co-Vice Chairman Renato C. Valencia – Lead Independent Director Carmelo Maria Luza Bautista – President Francisco H. Suarez, Jr. – Executive VP/CFO Anjanette T. Dy Buncio – Treasurer Alesandra T. Ty – Asst. Treasurer Winston Andrew L. Peckson – First VP/Chief Risk Officer Jose B. Crisol, Jr. – First VP/Head, Investor Relations and Corporate Communication Susan E. Cornelio – VP/Head, Human Resources and Administration Leo Paul C. Maagma – VP/Chief Audit Executive Reyna Rose P. Manon-Og – FVP/Controller and Head, Accounting and Financial Control Elsie D. Paras – VP/Deputy CFO Renee Lynn Miciano-Atienza – VP/Head, Legal and Compliance</p> <p><u>Results of OBM, pp. 2-3.</u> http://edge.pse.com.ph/openDiscView.er.do?edge_no=42f4609559dc74a943ca035510b6ec2b#sthash.Ys077UxH.dpbs</p> | |
|--|------------------|--|--|

| | | | |
|--|------------------|---|--|
| <p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p> | <p>Compliant</p> | <p><i>Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.</i></p> <p><i>Provide information on the assessment process and indicate frequency of assessment of performance.</i></p> <p>Performance of the President is assessed by the Board on an annual basis. Assessment of the Chief Risk Officer and the Chief Audit Executive is also undertaken by the Board through the Risk Oversight Committee and the Audit Committee. The performance of the heads of the other heads of their respective department is performed through the Board's Executive Director/ the Corporation's President. Promotions of senior executives based on such assessments are approved by the Board.</p> <p>Annual Report, p. 62 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |
| <p>Recommendation 2.9</p> | | | |

| | | | |
|---|------------------|---|--|
| <p>1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.</p> | <p>Compliant</p> | <p><i>Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.</i></p> <p>GT Capital has established, with the approval of the Board, the following as part of its corporate governance framework, in order to ensure personnel and management performance are at par with the Corporation's standards: A Code of Ethics and Code of Discipline, the implementation of Anti-corruption Programs, a Whistleblowing policy, and the adoption of an Enterprise Risk Management Policy and Framework, the establishment of a Risk Governance Structure, the identification of key business risks and controls, and the implementation of policies on whistleblowing, on procurement, against conflict of interest, and against insider trading.</p> | |
| <p>2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.</p> | <p>Compliant</p> | <p><u>Annual Report</u>, pp. 55-60 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |
| <p>Recommendation 2.10</p> | | | |

| | | | |
|--|------------------|---|--|
| <p>1. Board oversees that an appropriate internal control system is in place.</p> | <p>Compliant</p> | <p><i>Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system.</i></p> <p>The Board, through the Audit Committee, oversees the Corporation's systems of internal control, financial reporting and internal and external audit processes and compliance monitoring procedures. The Committee is comprised of at least three (3) directors and meets at least once every quarter.</p> | |
| <p>2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.</p> | <p>Compliant</p> | <p><u>MCG</u> Annex C: Audit Committee Charter https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> <p>The Corporation also has a separate Internal Audit department.</p> <p><u>Annual Report</u>, pp. 55-57, https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> <p>Policy on Conflict of Interest Annual Report, p. 59</p> | |

| | | | |
|--|------------------|---|--|
| <p>3. Board approves the Internal Audit Charter.</p> | <p>Compliant</p> | <p><i>Provide reference or link to the company's Internal Audit Charter</i></p> <p>The Compliance Officer certifies that the Internal Audit Charter was approved by the Board. The certification is attached as Annex "C".</p> <p><u>Manual on Corporate Governance</u> <u>Annex C: Audit Committee Charter</u> https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |
|--|------------------|---|--|

Recommendation 2.11

| | | | |
|---|------------------|--|--|
| <p>1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.</p> | <p>Compliant</p> | <p><i>Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.</i></p> <p>The Corporation has adopted, upon the approval of the Board, an Enterprise Risk Management ("ERM") Policy and Framework for the promotion of increased awareness of risks, minimization of the company's exposure to financial losses, and boosting of shareholder's confidence. The Corporation seeks to maintain an effective risk management process, designed to meet the requirements of generally accepted good corporate governance.</p> <p><u>Annual Report</u>, p. 57 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |
|---|------------------|--|--|

| | | | |
|---|------------------|---|--|
| <p>2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.</p> | <p>Compliant</p> | <p><i>Provide proof of effectiveness of risk management strategies, if any.</i></p> <p>The Corporation's Risk Management Department, on an annual basis, identifies, assesses, prioritizes and responds to risks both at the Parent Corporation and component company levels. Periodic monitoring of progress is likewise reported to the committees.</p> <p>In compliance with the Corporation's Manual on Corporate Governance and PSE's Corporate Governance Guidelines for publicly listed companies, the Audit Committee and the Risk Oversight Committee jointly certify, on behalf of the Board of Directors, the adequacy and effectiveness of the Corporation's internal controls and risk management system, and hereby attest that the Parent Corporation's governance, risk management, and control processes are adequately designed and operating effectively relative to its business objectives.</p> <p><u>Annual Report, p.63</u> https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |
|---|------------------|---|--|

| Recommendation 2.12 | | | |
|--|---------------|--|--|
| 1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role. | Non-Compliant | <i>Provide link to the company's website where the Board Charter is disclosed.</i> | The Corporation does not have a separate Board Charter. However, the Manual on Corporate Governance contains, among others, the duties and responsibilities of the Board of Directors and key officers, and the charters and functions of the various Board Committees. https://www.gtcapital.com.ph/governance/policies |
| 2. Board Charter serves as a guide to the directors in the performance of their functions | Non-Compliant | | |
| 3. Board Charter is publicly available and posted on the company's website. | Non-Compliant | | |
| Additional Recommendation to Principle 2 | | | |
| 1. Board has a clear insider trading policy. | Compliant | <i>Provide information on or link/reference to a document showing company's insider trading policy.</i> Policy Against Insider Trading Annual Report, pp. 59-60 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf | |
| Optional: Principle 2 | | | |

| | | | |
|--|------------------|--|--|
| <p>1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.</p> | <p>Compliant</p> | <p><i>Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any.</i></p> <p>Financial assistance is not granted to entities other than wholly owned subsidiaries of the corporation. Directors, being related parties to the Corporation, must conduct their transactions on an arms-length basis.</p> <p><u>MCG</u> Annex D, Corporate Governance and Related Party Transactions Committee Charter, p. 3 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |
|--|------------------|--|--|

| | | | |
|---|------------------|---|--|
| <p>2. Company discloses the types of decision requiring board of directors' approval.</p> | <p>Compliant</p> | <p><i>Indicate the types of decision requiring board of directors' approval and where they are disclosed.</i></p> <p><u>GT Capital By-Laws</u> Article III, Section 1. Powers of the Board https://www.gtcapital.com.ph/storage/uploads/2018/06/Amended%20By-Laws.pdf</p> <p>Disclosure of material transactions approved by the Board are made through the GT Capital Website and through PSE Edge. https://www.gtcapital.com.ph/disclosures</p> <p>http://edge.pse.com.ph/companyInformation/form.do?cmpy_id=633</p> | |
|---|------------------|---|--|

Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.

Recommendation 3.1

| | | | |
|--|------------------|--|--|
| <p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p> | <p>Compliant</p> | <p><i>Provide information or link/reference to a document containing information on all the board committees established by the company.</i></p> <p>The corporation has established the following committees: Audit Committee, Compensation Committee, Corporate Governance and Related Party Transactions Committee, Executive Committee, Nominations Committee, and Risk Oversight Committee.</p> <p>Their specific functions are outlined in the Manual on Corporate Governance and in their respective charters.</p> <p><u>MCG</u> Section 2.2, pp. 7-17 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |
| <p>Recommendation 3.2</p> | | | |

| | | | |
|---|------------------|---|--|
| <p>1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.</p> | <p>Compliant</p> | <p><i>Provide information or link/reference to a document containing information on the Audit Committee, including its functions.</i></p> <p><i>Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.</i></p> <p><u>MCG</u> Section 2.2.4, pp. 13-16 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%202019.pdf</p> <p>Under the Audit Committee Charter, it is the Committee's responsibility to recommend the appointment, re-appointment, and removal of the company's external auditor.</p> <p><u>MCG</u> Section 2.2.4.3 (d), p.14 See also Annex C: Audit Committee Charter https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%202019.pdf</p> | |
|---|------------------|---|--|

| | | | |
|---|------------------|---|--|
| <p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p> | <p>Compliant</p> | <p><i>Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.</i></p> <p>The Audit Committee is composed of five (5) qualified non-executive directors, three (3) of whom, including the Chairman are independent.</p> <p><u>DIS</u>, pp. 9, 11-12. http://edge.pse.com.ph/openDiscViewer.do?edge_no=8c1f4eb1fa542bebefdc15ec263a54d#sthash.Ln9nInHq.dpbs</p> | |
| <p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p> | <p>Compliant</p> | <p><i>Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.</i></p> <p>The backgrounds of the members of the Audit Committee are disclosed in the Annual Report.</p> <p><u>Annual Report</u>, pp. 80-85 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |

| | | | |
|---|------------------|---|--|
| <p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p> | <p>Compliant</p> | <p><i>Provide information or link/reference to a document containing information on the Chairman of the Audit Committee.</i></p> <p>Audit Committee Chair Wilfredo A. Paras is not Chairman of the Board or of any other committee.</p> <p>DIS, p. 12. http://edge.pse.com.ph/openDiscViewer.do?edge_no=8c1f4eb1fa542bebefdc15ec263a54d#sthash.Ln9nTnHq.dpbs</p> | |
|---|------------------|---|--|

Supplement to Recommendation 3.2

| | | | |
|--|------------------|--|--|
| <p>1. Audit Committee approves all non-audit services conducted by the external auditor.</p> | <p>Compliant</p> | <p><i>Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.</i></p> <p>The Chief Financial Officer certifies that the Audit Committee reviewed and approved the non-audit fees for services conducted by the external auditor in relation to the audit fees to ensure that the non-audit fees do not outweigh the audit fees. The certification is attached as Annex "D" The Audit Committee approved the CFO's certification.</p> <p><u>DIS, p. 21.</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=8c1f4eb1fa542bebefdc15ec263a54d#sthash.Ln9nTnHq.dpbs</p> <p><u>MCG, Annex D – Audit Committee Charter.</u> https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%20,%202019.pdf</p> | |
|--|------------------|--|--|

| | | | |
|--|----------------------|--|---|
| <p>2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.</p> | <p>Non-Compliant</p> | <p><i>Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.</i></p> | <p>The Internal Audit Charter allows the Audit Committee to meet with the external auditor without any management present, if necessary.</p> <p><u>Manual on Corporate Governance</u> Section 2.2.4.3 (v), p. 16 & Annex C: Audit Committee Duties and Responsibilities (v) https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> |
| <p>Optional: Recommendation 3.2</p> | | | |
| <p>1. Audit Committee meets at least four times during the year.</p> | <p>Compliant</p> | <p>Indicate the number of Audit Committee meetings during the year and provide proof</p> <p>In 2018, the Audit Committee met at least four (4) times. Due to the change in the composition of the Committee, not all members were present for the four (4) meetings.</p> <p>Annual Report, p. 63-64 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |

| | | | |
|---|------------------|--|--|
| <p>2. Audit Committee approves the appointment and removal of the internal auditor.</p> | <p>Compliant</p> | <p><i>Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.</i></p> <p>The Compliance Officer certifies that the Audit Committee approved the appointment of Mr. Leo Paul C. Maagma as Internal Auditor. The certification is attached as Annex "C".</p> <p><u>MCG</u> Annex C: Audit Committee Duties and Responsibilities (d) https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> <p>The Audit Committee has the primary responsibility of recommending to the Board of Directors the appointment, reappointment or removal of the external auditor and the fixing of the audit fees.</p> | |
| <p>Recommendation 3.3</p> | | | |

| | | | |
|--|------------------|--|--|
| <p>1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.</p> | <p>Compliant</p> | <p><i>Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions</i></p> <p><i>Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.</i></p> <p>The Corporation has a separate Nominations Committee, which is responsible for reviewing the qualifications of nominee directors and ensuring that the same are aligned with the Corporation's strategic direction.</p> <p><u>MCG</u> Section 2.2.5, p. 16 & Annex D: Corporate Governance Committee Charter, pp. 1-2 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%202019.pdf</p> | |
|--|------------------|--|--|

| | | | |
|--|------------------|---|--|
| <p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p> | <p>Compliant</p> | <p><i>Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.</i></p> <p>The Corporate Governance and Related Party Transaction Committee is composed of three (3) qualified non-executive directors, all of whom are independent.</p> <p><u>DIS, pp. 9, 11-12</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=8c1f4eb1fa542bebefdc15ec263a54d#sthash.Ln9nTnHq.813IBZsM.dpbs</p> | |
| <p>3. Chairman of the Corporate Governance Committee is an independent director.</p> | <p>Compliant</p> | <p><i>Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.</i></p> <p>The Chairman Renato C. Valencia is an Independent Director.</p> <p><u>DIS, pp. 9.</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=8c1f4eb1fa542bebefdc15ec263a54d#sthash.Ln9nTnHq.813IBZsM.dpbs</p> | |
| <p>Optional: Recommendation 3.3.</p> | | | |

| | | | |
|---|------------------|---|--|
| <p>1. Corporate Governance Committee meets at least twice during the year.</p> | <p>Compliant</p> | <p><i>Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.</i></p> <p>In 2018, the Corporate Governance Committee met six (6) times.</p> <p><u>Annual Report, p. 64</u> https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |
| <p>Recommendation 3.4</p> | | | |
| <p>1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.</p> | <p>Compliant</p> | <p><i>Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions.</i></p> <p><u>MCG</u> Section 2.2.6, pp. 16-17 & Annex F: Risk Oversight Committee Charter https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%202019.pdf</p> | |

| | | | |
|---|------------------|---|--|
| <p>2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p> | <p>Compliant</p> | <p><i>Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship.</i></p> <p>In 2018, the Risk Oversight Committee (ROC) was composed of four (4) members, three (3) of which, including the Chairman, were independent.</p> <p><u>SEC Form 17-A, p. 134.</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=a142933b206075faefdc15ec263a54d#sthash.wfKGuUcn.dpbs</p> | |
| <p>3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.</p> | <p>Compliant</p> | <p><i>Provide information or link/reference to a document containing information on the Chairman of the BROC</i></p> <p>The ROC Chairman is not the Chairperson of the Board nor of any other Committee.</p> <p><u>Results of OBM</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=42f4609559dc74a943ca035510b6ec2b#sthash.4zHqmu7P.dpbs</p> <p>Rene J. Buenaventura was not the Chairman of the Board or any other committee as of GT Capital's OBM on May 09, 2018.</p> | |

| | | | |
|--|------------------|--|--|
| <p>4. At least one member of the BROCC has relevant thorough knowledge and experience on risk and risk management.</p> | <p>Compliant</p> | <p><i>Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROCC.</i></p> <p>The members of the Risk Oversight Committee attended seminars to enhance their knowledge and skills on risk and risk management.</p> <p><u>2017 Annual Report</u>, p. 61 https://www.gtcapital.com.ph/storage/uploads/annual-reports/5afcc4a082482.pdf</p> <p>The experiences of the directors, as stated in the Annual Report, enhances their contribution to the Risk Oversight Committee.</p> <p><u>2018 Annual Report</u>, pp. 80-85 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |
|--|------------------|--|--|

Recommendation 3.5

| | | | |
|--|------------------|---|--|
| <p>1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.</p> | <p>Compliant</p> | <p><i>Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.</i></p> <p>The Corporate Governance and Related Party Transactions Committee, when necessary, passes upon and provides clearance for related party transactions with material significance, after assessing whether the transaction is for the best interest of the corporation.</p> <p><u>MCG</u> Section 2.2.5.4, p. 16 & Annex D, pp. <u>2-3</u> https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%202019.pdf</p> | |
|--|------------------|---|--|

| | | | |
|---|------------------|---|--|
| <p>2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.</p> | <p>Compliant</p> | <p><i>Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.</i></p> <p>The Corporate Governance Committee and Related Party Transactions Committee acting as RPT Committee is composed of three (3) qualified non-executive directors, all of whom are independent.</p> <p><u>DIS</u>, pp. 9-10, 11-12. http://edge.pse.com.ph/openDiscViewer.do?edge_no=8c1f4eb1fa542bebefdc15ec263a54d#sthash.Ln9nTnHq.813IBZsM.dpbs</p> | |
| <p>Recommendation 3.6</p> | | | |
| <p>1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.</p> | <p>Compliant</p> | <p><i>Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.</i></p> <p><u>MCG</u> See Annexes A- F https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |
| <p>2. Committee Charters provide standards for evaluating the performance of the Committees.</p> | <p>Compliant</p> | <p><u>MCG</u> See Annexes A- F https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |

| | | | |
|--|-----------|---|--|
| 3. Committee Charters were fully disclosed on the company's website. | Compliant | <p>Provide link to company's website where the Committee Charters are disclosed.</p> <p><u>MCG Annexes A-F</u> https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |
|--|-----------|---|--|

Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.

Recommendation 4.1

| | | | |
|--|------------------|---|--|
| <p>1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.</p> | <p>Compliant</p> | <p><i>Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings.</i></p> <p>Attendance by teleconference or videoconference is pursuant to SEC rules and regulations.</p> <p><u>SEC Memorandum Circular No. 15, series of 2001.</u> http://www.sec.gov.ph/wp-content/uploads/2016/06/sec-memo-15s2001.pdf</p> <p><i>Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.</i></p> <p>It is the duty of the directors to attend and actively participate in Board or Committee meetings.</p> <p><u>MCG</u> Section 2.1.3 (b), p. 5 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> <p><u>Advisement Letter on Directors' Attendance</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=ed40a08bf2c778bbefdfc15ec263a54d#sthash.12RFS8OI.dpbs</p> | |
|--|------------------|---|--|

| | | | |
|---|-----------|--|--|
| 2. The directors review meeting materials for all Board and Committee meetings. | Compliant | <p>MCG Section 2.1.3 (b), p.5 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |
| 3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings. | Compliant | <p><i>Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors</i></p> <p>MCG Section 2.1.3 (b), p. 5 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> <p>Under the Manual on Corporate Governance, directors are enjoined to actively participate in Board and committee meetings, and if called for, ask necessary questions and clarifications.</p> <p>The Corporate Secretary certifies that such participation, questions and clarifications are included in the minutes of the meetings. The certification is attached as Annex "A".</p> | |
| Recommendation 4.2 | | | |

| | | | |
|---|------------------|---|--|
| <p>1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.</p> | <p>Compliant</p> | <p><i>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</i></p> <p>It is a policy under the Manual on Corporate Governance that non-executive directors can only serve up to a maximum of five (5) publicly listed companies.</p> <p><u>MCG</u> Section 2.1.3 (b), p. 5 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> <p><i>Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies.</i></p> <p><u>DIS</u>, Item No. 5.a.ii Directorship in Other Reporting Companies and Subsidiaries, pp. 17-19. http://edge.pse.com.ph/openDiscViewer.do?edge_no=8c1f4eb1fa542bebefdfc15ec263a54d#sthash.Ln9nTnHq.813lBZsM.dpbs</p> | |
| <p>Recommendation 4.3</p> | | | |

| | | | |
|---|------------------|--|--|
| <p>1. The directors notify the company's board before accepting a directorship in another company.</p> | <p>Compliant</p> | <p><i>Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.</i></p> <p>The directors are mandated to notify the Board before accepting directorship in another company. Updated profiles are also submitted to the Nominations Committee.</p> <p><u>MCG</u> Section 2.1.3 (b), p.5 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%202019.pdf</p> <p>The Compliance Officer certifies that the directors submit their updated profiles to the Nominations Committee on an annual basis. The certification is attached as Annex "C".</p> | |
| <p>Optional: Principle 4</p> | | | |
| <p>1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.</p> | <p>Compliant</p> | <p><u>DIS</u> Item No. 5.a.ii Directorship in Other Reporting Companies and Subsidiaries, pp. 17-19. http://edge.pse.com.ph/openDiscViewer.do?edge_no=8c1f4eb1fa542bebefdfc15ec263a54d#sthash.Ln9nTnHq.dpb §</p> | |

| | | | |
|--|------------------|---|--|
| <p>2. Company schedules board of directors' meetings before the start of the financial year.</p> | <p>Compliant</p> | <p>The dates of the regular Board meetings of GT Capital are set before the beginning of the fiscal year.</p> <p><u>Annual Report</u>, p. 61 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |
| <p>3. Board of directors meet at least six times during the year.</p> | <p>Compliant</p> | <p><i>Indicate the number of board meetings during the year and provide proof</i></p> <p>The board met eight (8) times in 2018.</p> <p><u>Advisement Letter on Directors' Attendance</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=ed40a08bf2c778bbe1dfc15ec263a54d#sthash.12RFS8OI.dpbs</p> | |

| | | | |
|---|------------------|--|--|
| <p>4. Company requires as minimum quorum of at least 2/3 for board decisions.</p> | <p>Compliant</p> | <p><i>Indicate the required minimum quorum for board decisions</i></p> <p>The presence of at least two-thirds (2/3) of the directors is required when there are issues that will have a significant impact on the character of the Corporation. In any case, board meeting dates are scheduled to ensure attendance of all directors.</p> <p><u>MCG</u> Section 2.5.2 (e), p. 20 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |
|---|------------------|--|--|

Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs
Recommendation 5.1

| | | | |
|---|------------------|---|--|
| <p>1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.</p> | <p>Compliant</p> | <p><i>Provide information or link/reference to a document containing information on the number of independent directors in the board</i></p> <p>The Corporation has had at least three (3) independent directors in 2017, four (4) in 2018.</p> <p><u>SEC Form 17-A for 2017, p. 128.</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=55efb6b7985ff62943ca035510b6ec2b#sthash.pr6ZhQYo.n2Vy7Rgq.dpbs</p> <p><u>SEC Form 17-A for 2018, p. 133.</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=a142933b206075faefdc15ec263a54d#sthash.rTwnCzqW.dpbs</p> | |
|---|------------------|---|--|

Recommendation 5.2

| | | | |
|---|------------------|---|--|
| <p>1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.</p> | <p>Compliant</p> | <p><i>Provide information or link/reference to a document containing information on the qualifications of the independent directors.</i></p> <p>The Directors possess all the qualifications and none of the disqualifications provided for in the SRC (Securities Regulation Code) and its Implementing Rules and Regulations, as well as the Corporation's By-laws.</p> <p>DIS, pp. 19-20 http://edge.pse.com.ph/openDiscViewer.do?edge_no=8c1f4eb1fa542bebefdfc15ec263a54d#sthash.Ln9nTnHq.dpbs</p> <p>Qualifications – DIS, pp. 10-12</p> | |
| <p>Supplement to Recommendation 5.2</p> | | | |
| <p>1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.</p> | <p>Compliant</p> | <p>Provide link/reference to a document containing information that directors are not constrained to vote independently.</p> <p><u>MCG</u> Section 2.1.3 (d), p. 6 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |
| <p>Recommendation 5.3</p> | | | |

| | | | |
|--|------------------|--|--|
| <p>1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).</p> | <p>Compliant</p> | <p><i>Provide information or link/reference to a document showing the years IDs have served as such.</i></p> <p>None of the four (4) independent directors have served for more than a period of nine (9) cumulative years, reckoned since 2012.</p> <p><u>SEC Form 17-A, p. 133.</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=a142933b206075faefdfc15ec263a54d#sthash.rTwnCzqW.dpbs</p> | |
| <p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p> | <p>Compliant</p> | <p><i>Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director.</i></p> <p><u>MCG</u> Section 2.1.4 (c), p.7 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |

| | | | |
|--|------------------|---|--|
| <p>3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.</p> | <p>Compliant</p> | <p><i>Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.</i></p> <p>No independent director has served in such capacity for more than nine (9) years, reckoned since 2012. However, the Corporation has in place a policy providing that if Corporation wants to retain an Independent Director who has served for a cumulative term of nine (9) years, the Board shall provide meritorious justification/s and seek shareholders' approval during the annual stockholders' meeting.</p> <p><u>MCG</u> Section 2.1.4 (c), p. 7 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%202019.pdf</p> | |
| <p>Recommendation 5.4</p> | | | |
| <p>1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.</p> | <p>Compliant</p> | <p><i>Identify the company's Chairman of the Board and Chief Executive Officer</i></p> <p>GT Capital's Chairman is Arthur V. Ty while the President is Carmelo Maria Luza Bautista.</p> <p><u>Results of OBM</u>, p. 2. http://edge.pse.com.ph/openDiscViewer.do?edge_no=42f4609559dc74a943ca035510b6ec2b#sthash.4zHqmu7P.0rwGYIUH.dpbs</p> | |

| | | | |
|--|------------------|--|--|
| <p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p> | <p>Compliant</p> | <p><i>Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer.</i></p> <p><u>MCG</u> Section 2.3, pp. 17-18 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> <p>Duties of the Chairman <u>MCG</u>, Section 2.4, p. 19</p> <p>Duties of the President <u>MCG</u>, Section 2.6, p. 21</p> <p><i>Identify the relationship of Chairman and CEO.</i></p> <p>The Chairman and the President are not related.</p> | |
| <p>Recommendation 5.5</p> | | | |

| | | | |
|--|------------------|--|--|
| <p>1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.</p> | <p>Compliant</p> | <p><i>Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any.</i></p> <p><i>Indicate if Chairman is independent.</i></p> <p>The Chairman is not independent. The Board has designated a lead director among the independent directors.</p> <p><u>MCG</u> Section 2.1.4.1, p. 7 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |
| <p>Recommendation 5.6</p> | | | |

| | | | |
|---|------------------|--|--|
| <p>1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.</p> | <p>Compliant</p> | <p><i>Provide proof of abstention, if this was the case.</i></p> <p>The Corporate Secretary certifies that directors with material interest in the transactions abstain from taking part in the deliberations and that such is reflected in the minutes of the meeting. The certification is attached as Annex "A".</p> <p>Under GT Capital's CG Manual, directors are required to conduct fair business transactions with the Corporation and ensure that his personal interest does not conflict with the interests of the Corporation. In instances when there is an actual or potential conflict of interest, the conflicted director is required to fully and immediately disclose such conflict of interest and abstain from participating in the Board discussion of that item on the agenda.</p> <p><u>GT Capital's Website</u> https://www.gtcapital.com.ph/policies</p> | |
|---|------------------|--|--|

Recommendation 5.7

| | | | |
|--|---------------|---|---|
| 1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present. | Non-Compliant | Provide proof and details of said meeting, if any. Provide information on the frequency and attendees of meetings. | The Board exercises objectivity and independence with regard to their duties and responsibilities and have access to and may inquire with or approach any member of management independently, if necessary, during board and committee meetings, or during the Corporation's day-to-day operations. <u>GT Capital's website</u> Corporate Governance Updates Meeting of Non-Executive Directors https://www.gtcapital.com.ph/corporate-governance-updates |
| 2. The meetings are chaired by the lead independent director. | Non-Compliant | | |

Optional: Principle 5

| | | | |
|--|-----------|---|--|
| 1. None of the directors is a former CEO of the company in the past 2 years. | Compliant | Provide name/s of company CEO for the past 2 years Carmelo Maria Luza Bautista has been the Corporation's President since 2011. None of the non-executive directors have been the CEO/President of the Corporation in the past 2 years. <u>Annual Report</u> , p. 83 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf | |
|--|-----------|---|--|

Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.

| Recommendation 6.1 | | | |
|---|-----------------|---|--|
| 1. Board conducts an annual self-assessment of its performance as a whole. | Compliant | <p><i>Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees</i></p> <p><u>Annual Report</u>, p. 62 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |
| 2. The Chairman conducts a self-assessment of his performance. | Compliant | | |
| 3. The individual members conduct a self-assessment of their performance. | Compliant | | |
| 4. Each committee conducts a self-assessment of its performance. | Compliant | | |
| 5. Every three years, the assessments are supported by an external facilitator. | Not applicable. | <p><i>Identify the external facilitator and provide proof of use of an external facilitator.</i></p> <p>Every three (3) years, under the Manual on Corporate Governance, the self-evaluation of the Board shall be supported by an external facilitator.</p> <p><u>MCG</u> Section 2.2.5.3, p. 16 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | <p>In compliance with best practice, since 2017, the Corporation has implemented annually the accomplishment of the aforementioned assessment forms. As such, it shall begin assessment supported by an external facilitator in 2019, covering its 2018 performance.</p> |
| Recommendation 6.2 | | | |

| | | | |
|---|------------------|---|--|
| <p>1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.</p> | <p>Compliant</p> | <p><i>Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders</i></p> <p>The Corporation adopted its Board, Committee and Individual Director's Self-Assessment Forms in order for the Corporation to annually evaluate the performance of its Board, Committee and individual directors and to assess the efficiency of its processes in relation to the Board and its committees.</p> <p><u>Annual Report, p. 62</u> https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |
| <p>2. The system allows for a feedback mechanism from the shareholders.</p> | <p>Compliant</p> | <p>The Corporation has an investor relations program to better respond to feedback from investors and shareholders and other stakeholders.</p> <p><u>GT Capital's Website</u> https://www.gtcapital.com.ph/investor-relations/investor-relations-program</p> | |

Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

Recommendation 7.1

| | | | |
|--|------------------|---|--|
| <p>1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.</p> | <p>Compliant</p> | <p><i>Provide information on or link/reference to the company's Code of Business Conduct and Ethics.</i></p> <p><u>GT Capital's Code of Ethics</u> https://www.gtcapital.com.ph/storage/uploads/2018/06/Code%20of%20Ethics.pdf</p> | |
|--|------------------|---|--|

| | | | |
|--|------------------|---|--|
| <p>2. The Code is properly disseminated to the Board, senior management and employees.</p> | <p>Compliant</p> | <p><i>Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.</i></p> <p>The Code of Ethics is implemented through the CG Manual, Whistleblowing Policy, Code of Discipline of Employees, and the Policies and Procedures Manual of each department.</p> <p>The Whistleblowing Policy and Code of Discipline of Employees were distributed to all directors, officers and employees while the Policies and Procedures Manuals ("PPM") of each department are disseminated to all the employees of such departments. All these documents are also readily available for access of all directors, officers, and employees through the website, by request from the Legal and Compliance Department, and through the Human Resources ("HR") and Administration Department, and are reviewed on an annual basis in the context of evolving best practices and changing regulations.</p> <p><u>GT Capital's Code of Ethics</u> <u>https://www.gtcapital.com.ph/governance/policies</u></p> | |
|--|------------------|---|--|

| | | | |
|--|-----------|---|--|
| 3. The Code is disclosed and made available to the public through the company website. | Compliant | <p><i>Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed.</i></p> <p><u>GT Capital's Code of Ethics</u> https://www.gtcapital.com.ph/governance/policies</p> | |
| Supplement to Recommendation 7.1 | | | |
| 1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes. | Compliant | <p><i>Provide information on or link/reference to a document containing information on the company's policy and procedure on curbing and penalizing bribery</i></p> <p><u>GT Capital's Employee Handbook Code of Discipline</u> https://www.gtcapital.com.ph/storage/uploads/2018/06/GT%20Capital%20Code%20of%20Discipline.PDF</p> <p><u>GT Capital's Code of Ethics</u> https://www.gtcapital.com.ph/storage/uploads/2018/06/Code%20of%20Ethics.pdf</p> | |
| Recommendation 7.2 | | | |

| | | | |
|--|------------------|---|--|
| <p>1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.</p> | <p>Compliant</p> | <p><i>Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.</i></p> <p><i>Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.</i></p> <p>Answer to 7.2.1 and 7.2.2:</p> <p>Directors, officers and employees are required to comply with the various Codes and Policies issued by the Corporation.</p> <p>GT Capital's HR and Administration Department, in coordination with the relevant heads of other departments, is tasked with implementing and ensuring compliance with the provisions of the Code of Ethics as well as the policies and codes implementing the Code of Ethics. Its responsibilities include, among</p> | |
|--|------------------|---|--|

| | | | |
|--|------------------|--|--|
| <p>2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.</p> | <p>Compliant</p> | <p>others, ensuring that the contents of the Code are communicated to all existing and new officers and employees. This is done by providing officers and employees with a copy of GT Capital's employee handbook, requiring each officer and employee to sign annually a "Code of Conduct Acknowledgment Form", and conducting an annual orientation on the Corporation's policies. Its activities also include investigating reported violations of the Code and, if necessary, imposing the appropriate disciplinary action. In addition, each department is audited by GT Capital's Internal Audit Department to further verify observance of the relevant policies.</p> <p><u>Annual Report</u>, pp. 55-56 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |
|--|------------------|--|--|

Disclosure and Transparency

Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

Recommendation 8.1

| | | | |
|---|------------------|---|--|
| <p>1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.</p> | <p>Compliant</p> | <p><i>Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders</i></p> <p><u>MCG</u> Section 5, pp. 24-25 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%20,%202019.pdf</p> <p><u>GT Capital's Website - Disclosures</u> https://www.gtcapital.com.ph/disclosures</p> <p>The Compliance Officer certifies that GT Capital's Legal & Compliance Dept. Policies and Procedures Manual include policies and procedures on: 6.2 Structured Compliance Reporting 6.3 Unstructured Compliance Reporting, which include disclosures on financial condition, results and business operations of the Corporation. The certification is attached as Annex "C".</p> | |
| <p>Supplement to Recommendations 8.1</p> | | | |

| | | | |
|---|------------------|--|--|
| <p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.</p> | <p>Compliant</p> | <p><i>Indicate the number of days within which the consolidated and interim reports were published, distributed or made available from the end of the fiscal year and end of the reporting period, respectively.</i></p> <p>The Consolidated Financial Statements were disclosed on March 27, 2019, or eighty-six (86) days from December 31, 2018 financial year end, through the PSE Edge, as an attachment to the Corporation's <u>Preliminary Information Statement (PIS)</u>. http://edge.pse.com.ph/openDiscViewer.do?edge_no=4c65bf1655be8857efdfc15ec263a54d#sthash.KZjiHlqa.dpbs</p> <p>The interim reports were also published and made available within forty-five (45) days from end of reporting period.</p> <p><u>GT Capital's website - Disclosures Financial Statements</u> https://www.gtcapital.com.ph/disclosures</p> | |
|---|------------------|--|--|

| | | |
|--|------------------|---|
| <p>2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p> | <p>Compliant</p> | <p>Provide link or reference to the company's annual report where the following are disclosed:</p> <ol style="list-style-type: none"> 1. principal risks to minority shareholders associated with the identity of the company's controlling shareholders; 2. cross-holdings among company affiliates; and 3. any imbalances between the controlling shareholders' voting power and overall equity position in the company. <p>GT Capital's website – Disclosures https://www.gtcapital.com.ph/disclosures</p> <p>Risk to minority shareholders of the Corporation as a listed company are not among the top risks the Corporation identifies. However, this risk is disclosed in the registration statements of the Corporation in the event of additional issuance of shares to the public. There are no cross or pyramid shareholdings.</p> <p><u>SEC Form 17-A</u>, pp. 10-11. http://edge.pse.com.ph/openDiscViewer.do?edge_no=a142933b206075faefdfc15ec263a54d#sthash.Vr3kWrMu.dpbs</p> <p><u>Prospectus (Risk Factors)</u>, pp. 40-51 https://www.gtcapital.com.ph/storage/uploads/prospectus/5982c0b64f323.pdf</p> <p>Neither are there any imbalances between controlling shareholders' voting power, and overall equity position in the company.</p> |
|--|------------------|---|

Recommendation 8.2

| | | | |
|---|------------------|--|--|
| <p>1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.</p> | <p>Compliant</p> | <p><i>Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share.</i></p> <p>All dealings and transactions by directors, officers, and employees are disclosed within three (3) business days after transaction. Transactions of directors and officers shall be disclosed to general public through PSE Edge.</p> <p><u>MCG</u> Section 6.6.6, p. 28 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> <p><i>Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.</i></p> <p>Dealings of Directors GT Capital's Website https://www.gtcapital.com.ph/disclosures?group=Others&DLPreportType=Others&DLPmonth=&DLPyear=&DLPsearch=change+in+shareholdings</p> | |
|---|------------------|--|--|

Supplement to Recommendation 8.2

| | | | |
|--|------------------|--|--|
| <p>2. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).</p> | <p>Compliant</p> | <p><i>Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders.</i></p> <p><u>SEC Form 23-A/B</u> https://www.gtcapital.com.ph/disclosures?group=SEC%20FORM%2023-A/B</p> <p><u>List of Top 100 Stockholders</u> https://www.gtcapital.com.ph/disclosures?group=Top%20100%20Stockholders</p> <p><i>Provide link or reference to the company's Conglomerate Map.</i></p> <p><u>GT Capital's Website</u> https://www.gtcapital.com.ph/conglomerate-map-and-shareholding-structure</p> | |
| <p>Recommendation 8.3</p> | | | |
| <p>1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p> | <p>Compliant</p> | <p><u>DIS, pp.9-13</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=8c1f4eb1fa542bebefdfc15ec263a54d#sthash.ZUJhi1Bq.dpb5</p> <p><u>Annual Report, pp. 60-65, 80-85</u> https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |

| | | | |
|---|------------------|---|--|
| <p>2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p> | <p>Compliant</p> | <p><i>Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</i></p> <p><u>Annual Report, pp. 65, 67-70, 80-89</u> https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |
|---|------------------|---|--|

Recommendation 8.4

| | | | |
|--|------------------|---|--|
| <p>1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.</p> | <p>Compliant</p> | <p><i>Disclose or provide link/reference to the company policy and practice for setting board remuneration.</i></p> <p>The Compensation Committee reviews the amount of remuneration, which shall be sufficient level to attract and retain the services of qualified and competent directors and officers. A portion of the remuneration of executive directors may be structured or based on corporate and individual performance.</p> <p>Director and Executive Compensation <u>Annual Report</u>, p. 65 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> <p>MCG Annex B - Compensation Committee Charter Duties and Responsibilities (c) https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |
|--|------------------|---|--|

| | | | |
|--|------------------|---|--|
| <p>2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.</p> | <p>Compliant</p> | <p><i>Disclose or provide link/reference to the company policy and practice for determining executive remuneration</i></p> <p>The Compensation Committee designates the amount of remuneration, which shall be in a sufficient level to be able to attract and retain the services of qualified and competent directors and officers.</p> <p><u>MCG</u> Annex B - Compensation Committee Charter Duties and Responsibilities (c) https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> <p>In addition to fixed compensation, employees, including its executive officers, receive annual variable compensation based on performance such as performance bonuses and merit-based increases.</p> <p><u>Annual Report</u>, p. 69 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |
|--|------------------|---|--|

| | | | |
|---|----------------------|---|--|
| <p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p> | <p>Non-Compliant</p> | <p>Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.</p> | <p>The Corporation discloses information on its directors and executives based on existing disclosure rules of the SEC, and the PSE, while respecting individual executive's right to data privacy.</p> <p>In line with the above explanation, GT Capital discloses the annual remuneration of the directors and executive officers in the aggregate. It also provides the components of such remuneration.</p> <p><u>DIS, Compensation of Directors and Executive Officers</u>, pp. 20-21. http://edge.pse.com.ph/openDiscViewer.do?edge_no=8c1f4eb1fa542bebdfc15ec263a54d#sthash.Bm52ewEz.dpbs</p> |
|---|----------------------|---|--|

Recommendation 8.5

| | | | |
|--|------------------|--|--|
| <p>1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.</p> | <p>Compliant</p> | <p><i>Disclose or provide reference/link to company's RPT policies</i></p> <p><u>MCG</u> Section 2.1.3 (e), p. 6 & Annex D, pp. 2-3 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%202019.pdf</p> <p><i>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</i></p> <p>The Corporate Secretary herein certifies that directors with conflicts of interest abstain from discussion of RPTs during Board meetings. The certification is attached as Annex "A".</p> | |
|--|------------------|--|--|

| | | | |
|---|------------------|--|--|
| <p>2. Company discloses material or significant RPTs reviewed and approved during the year.</p> | <p>Compliant</p> | <p>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</p> <ol style="list-style-type: none"> 1. name of the related counterparty; 2. relationship with the party; 3. transaction date; 4. type/nature of transaction; 5. amount or contract price; 6. terms of the transaction; 7. rationale for entering into the transaction; 8. the required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and 9. other terms and conditions <p>The Corporation disclosed the following material or significant RPTs in 2018:</p> <p><u>Subscription To Metrobank Stock Rights Offer</u></p> <p>On April 12, 2018, GT Capital subscribed to Metropolitan Bank and Trust Company's ("MBTC") stock rights offer by purchasing 299,284,118 common shares with a price of Pesos: Seventy Five (Php75) per share. MBTC is an associate of GT Capital. The Offering would be used to enable the MBTC to pursue business prospects and sustain its strong loan growth trajectory. The required GT Capital Board approval was obtained in compliance with the corporation's policy.</p> <p><u>PSE Edge Press Release</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=93d42a33fbc92ab843ca035510b6ec2b#sthash.uGV7FcMA.dpbs</p> | |
|---|------------------|--|--|

(continued)

PSE Edge Statement of Changes in Beneficial Ownership of Securities
http://edge.pse.com.ph/openDiscViewer.do?edge_no=47b7a1894e09a1b643ca035510b6ec2b#sthash.dYQccGbA.dpbs

Investment in Toyota Motor Corporation Shares

On June 28, 2018, GT Capital disclosed that it would invest in up to 22.2 Billion Japanese Yen (200 Million US dollars) in Toyota Motor Corporation, the Japanese multinational automotive manufacturer and the world's fifth largest company by revenue. The purchase would be made through the Tokyo Stock Exchange, based on the current prevailing rates on the date of purchase. Funding of the transaction would be through debt. The required Board approval was obtained in compliance with the corporation's policy.

PSE Edge Material Transactions
http://edge.pse.com.ph/openDiscViewer.do?edge_no=ccbf62a64d206c7b43ca035510b6ec2b#sthash.tVa4henV.dpbs

Supplement to Recommendation 8.5

| | | | |
|--|------------------|---|--|
| <p>1. Company requires directors to disclose their interests in transactions or any other conflict of interests.</p> | <p>Compliant</p> | <p><i>Indicate where and when directors disclose their interests in transactions or any other conflict of interests.</i></p> <p>Under GT Capital's Manual, directors are prohibited from using their position to profit or gain benefits or advantages for themselves or their related interests, and are obliged to avoid situations which may compromise their impartiality. If an actual or potential conflict of interest arises, the conflicted director is required to fully and immediately disclose such conflict of interest to the Board and abstain from participating in the Board discussion of that item on the agenda.</p> <p>The Corporate Secretary herein certifies that directors disclose their interests in transactions or any other conflict of interests, which is reflected in the minutes of the meetings. The certification is attached as Annex "A".</p> <p>https://www.gtcapital.com.ph/governance/policies</p> | |
|--|------------------|---|--|

Optional : Recommendation 8.5

| | | | |
|---|------------------|--|--|
| <p>1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.</p> | <p>Compliant</p> | <p><i>Provide link or reference where this is disclosed, if any</i></p> <p>All RPTs are conducted fairly and at an arm's length basis <u>Annual Report</u>, p. 64 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> <p>The Corporate Governance Committee, acting as Related Party Transactions Committee, ensures that when passing upon related party transactions, the non-independent members of the Committee inhibit themselves from voting on the matter at hand.</p> <p><u>MCG</u> Annex D – Corporate Governance Committee Charter, pp. 2-3 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |
| <p>Recommendation 8.6</p> | | | |
| <p>1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occurs, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.</p> | <p>Compliant</p> | <p><i>Provide link or reference where this is disclosed</i></p> <p><u>Disclosures through PSE Edge</u> http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=633</p> | |

| | | | |
|---|------------------|--|--|
| <p>2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.</p> | <p>Compliant</p> | <p><i>Identify independent party appointed to evaluate the fairness of the transaction price</i></p> <p><i>Disclose the rules and procedures for evaluating the fairness of the transaction price, if any.</i></p> <p>The Corporation's Corporate Governance and Related Party Transactions Committee passes upon and provides clearance for related party transactions with material significance. In such cases, the Committee considers the best interest of the Corporation.</p> <p>If approved by the Committee, the proposed related party transaction is then recommended and endorsed to the Board for approval. Transactions of material significance are evaluated for fairness through a third-party evaluator or assessor.</p> <p><u>Definitive Information Statement</u> Item No. 5 (d) Certain Relationships and Related Transactions, pp. 19. http://edge.pse.com.ph/openDiscViewer.do?edge_no=8c1f4eb1fa542bebefdc15ec263a54d#sthash,Bm52ewEz.dpbs</p> | |
|---|------------------|--|--|

Supplement to Recommendation 8.6

| | | | |
|---|------------------|---|--|
| <p>1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.</p> | <p>Compliant</p> | <p><i>Provide link or reference where this is disclosed</i></p> <p>The Corporation has no shareholder agreements, voting trust agreements, confidentiality agreements and the like which may impact the control, ownership, and strategic direction of the company.</p> | |
| <p>Recommendation 8.7</p> | | | |
| <p>1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).</p> | <p>Compliant</p> | <p><i>Provide link to the company's website where the Manual on Corporate Governance is posted.</i></p> <p><u>MCG</u> https://www.gtcapital.com.ph/governance/policies</p> | |
| <p>2. Company's MCG is submitted to the SEC and PSE.</p> | <p>Compliant</p> | <p>PSE Edge http://edge.pse.com.ph/openDiscViewer.do?edge_no=38793f4ff4563116efdfc15ec263a54d#sthash.gmJZNFuy.dpbs</p> | |
| <p>3. Company's MCG is posted on its company website.</p> | <p>Compliant</p> | | |
| <p>Supplement to Recommendation 8.7</p> | | | |

| | | | |
|---|-----------|---|--|
| 1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices. | Compliant | <p><i>Provide proof of submission.</i></p> <p><u>PSE Edge Disclosure on Manual on Corporate Governance</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=38793f4ff4563116efdfc15ec263a54d#sthash.gmJZNFuy.dpbs</p> | |
| Optional: Principle 8 | | | |
| 1. Does the company's Annual Report disclose the following information: | Compliant | <p><i>Provide link or reference to the company's Annual Report containing the said information.</i></p> | |
| a. Corporate Objectives | Compliant | <p><u>Annual Report</u> https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |
| b. Financial performance indicators | Compliant | <p>Corporate Objectives – p.79</p> | |
| c. Non-financial performance indicators | Compliant | <p>Financial Performance Indicators – pp. 6-11</p> | |
| d. Dividend Policy | Compliant | <p>Non-financial indicators – p. 79</p> | |
| e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors | Compliant | <p>Dividend Policy – pp. 75-76</p> <p>Biographical details – pp. 80-85</p> <p>Attendance details – p. 61</p> <p>Total Remuneration – p. 65</p> | |
| f. Attendance details of each director in all directors meetings held during the year | Compliant | | |

| | | | |
|---|-----------|--|--|
| g. Total remuneration of each member of the board of directors | Compliant | (Please see above cell) | |
| 2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue. | Compliant | <p><i>Provide link or reference to where this is contained in the Annual Report</i></p> <p><u>Annual Report</u>, p. 55 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |
| 3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems. | Compliant | <p><i>Provide link or reference to where this is contained in the Annual Report</i></p> <p>The Board of Directors, through the Audit Committee and the Risk Oversight Committee jointly certify the adequacy of the Corporation's material controls and risk management systems.</p> <p><u>Annual Report</u>, p. 63 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |
| 4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems. | Compliant | <p><i>Provide link or reference to where this is contained in the Annual Report</i></p> <p><u>Annual Report</u>, p. 63 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |

| | | | |
|---|------------------|---|--|
| <p>5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).</p> | <p>Compliant</p> | <p><i>Provide link or reference to where this is contained in the Annual Report</i></p> <p><u>Annual Report</u>, pp. 58-59 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> <p><u>SEC Form 17-A</u>, pp. 10-11 http://edge.pse.com.ph/openDiscViewer.do?edge_no=a142933b206075faefdfc15ec263a54d#sthash.PrkakvY3.dpb <u>5</u></p> | |
|---|------------------|---|--|

Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

Recommendation 9.1

| | | | |
|--|------------------|--|--|
| <p>1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.</p> | <p>Compliant</p> | <p><i>Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.</i></p> <p>An external auditor shall be selected and appointed by the stockholders upon recommendation of the Board after consultation with the Audit Committee.</p> <p><u>Manual on Corporate Governance</u> Section 2.8, p. 22-23 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |
| <p>2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.</p> | <p>Compliant</p> | <p><i>Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.</i></p> <p>The appointment of SGV as external auditor for the year 2018 was approved by at least majority of the total issued and outstanding shares of the Corporation entitled to vote.</p> <p><u>May 09, 2018 Annual Stockholders Minutes</u>, pp. 3-4. https://www.gtcapital.com.ph/storage/uploads/asm/ASM%202018%20Minutes%20FINAL%20v4.pdf</p> | |

| | | | |
|---|------------------|--|--|
| <p>3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.</p> | <p>Compliant</p> | <p><i>Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.</i></p> <p>The Corporation is compliant with SRC Rule 68, Paragraph 3 (b) (ix) (Rotation of External Auditors), which states that the independent auditors, or in the case of an audit firm, the signing partner, shall be rotated after every five (5) years of engagement, with a two-year cooling off period to be observed in the re-engagement of the same signing partner or individual auditor.</p> <p><u>Annual Report</u>, p. 66 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> <p>Mr. Miguel U. Ballelos, Jr. of SGV replaced Ms. Vicky Lee Salas as signing partner for the calendar year 2018.</p> <p><u>DIS</u>, p. 21 http://edge.pse.com.ph/openDiscViewer.do?edge_no=8c1f4eb1fa542bebefdfc15ec263a54d#sthash.Bm52ewEz.dpbs</p> | |
|---|------------------|--|--|

Supplement to Recommendation 9.1

| | | | |
|---|------------------|--|--|
| <p>1. Company has a policy of rotating the lead audit partner every five years.</p> | <p>Compliant</p> | <p>Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years.</p> <p><u>Annual Report</u>, p. 66 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |
| <p>Recommendation 9.2</p> | | | |
| <p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <ul style="list-style-type: none"> i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. | <p>Compliant</p> | <p>Provide link/reference to the company's Audit Committee Charter</p> <p><u>MCG, Annex C - Audit Committee Charter</u> https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%202019.pdf</p> | |

| | | | |
|---|------------------|--|--|
| <p>2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p> | <p>Compliant</p> | <p>Provide link/reference to the company's Audit Committee Charter</p> <p><u>MCG, Annex C - Audit Committee Charter</u> https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |
| <p>Supplement to Recommendations 9.2</p> | | | |
| <p>1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.</p> | <p>Compliant</p> | <p>Provide link/reference to the company's Audit Committee Charter</p> <p><u>Manual on Corporate Governance Annex C - Audit Committee Charter</u> https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |
| <p>2. Audit Committee ensures that the external auditor has adequate quality control procedures.</p> | <p>Compliant</p> | <p>Provide link/reference to the company's Audit Committee Charter</p> <p><u>MCG, Annex C - Audit Committee Charter</u> https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |
| <p>Recommendation 9.3</p> | | | |

| | | | |
|---|------------------|--|--|
| <p>1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.</p> | <p>Compliant</p> | <p><i>Disclose the nature of non-audit services performed by the external auditor, if any.</i></p> <p>The Company disclosed that the auditor performed non-audit services in its Annual Report. The non-audit services performed were for the validation of the stockholders' votes during GT Capital's Annual Stockholder's meeting, as stated in the Corporation's Definitive Information Statement. Tax consultancy services were also secured for the purchase of Toyota Motor Corporation shares.</p> <p><u>Annual Report, p. 66</u> https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> <p><u>DIS, p. 21</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=8c1f4eb1fa542bebefdc15ec263a54d#sthash.Bm52ewEz.dpbs</p> | |
| <p>2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.</p> | <p>Compliant</p> | <p><i>Provide link or reference to guidelines or policies on non-audit services</i></p> <p><u>MCG, Annex C - Audit Committee Charter, Duties and Responsibilities.</u> https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%20,%202019.pdf</p> | |

Supplement to Recommendation 9.3

| | | | |
|--|------------------|---|--|
| <p>1. Fees paid for non-audit services do not outweigh the fees paid for audit services.</p> | <p>Compliant</p> | <p><i>Provide information on audit and non-audit fees paid.</i></p> <p>Non-audit fees paid in 2018 did not outweigh the fees paid for audit services.</p> <p><u>Annual Report, p. 66</u> https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |
|--|------------------|---|--|

Additional Recommendation to Principle 9

| | | | |
|--|------------------|--|--|
| <p>1. Company's external auditor is duly accredited by the SEC under Group A category.</p> | <p>Compliant</p> | <p>Provide information on company's external auditor, such as:</p> <ol style="list-style-type: none"> 1. Name of the audit engagement partner; 2. Accreditation number; 3. Date Accredited; 4. Expiry date of accreditation; and 5. Name, address, contact number of the audit firm. <p>Miguel U. Ballelos, Jr. Partner CPA Certificate No. 109950 SEC Accreditation No. 1566-A (Group A) June 09, 2016 valid until June 09, 2019 Sycip Gorres Velayo & Co. (SGV & Co.) 6760 Ayala Avenue 1226 Makati City, Philippines Tel. (632) 891 0307 Fax: (632) 819 0872</p> | |
|--|------------------|--|--|

| | | | |
|--|------------------|--|--|
| <p>2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).</p> | <p>Compliant</p> | <p><i>Provide information on the following: Date it was subjected to SOAR inspection, if subjected; Name of the Audit firm; and Members of the engagement team inspected by the SEC.</i></p> <p>The Corporation's external auditor, Sycip Gorres Velayo & Co., was subjected to SOAR Inspection Program by the SEC on November 12-23, 2018. The names of the members of the engagement team were provided to the SEC during the SOAR inspection.</p> | |
|--|------------------|--|--|

Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.
Recommendation 10.1

| | | | |
|--|------------------|--|--|
| <p>1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.</p> | <p>Compliant</p> | <p><i>Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.</i></p> <p><u>MCG</u> Section 5. Reportorial or Disclosure System of Company's Corporate Governance Policies, pp. 24-25 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> <p>In May 2019, GT Capital released its maiden Sustainability Report with information for the reporting period January 1 to December 31, 2018, adopting the Global Reporting Initiative ("GRI") Standards, an internationally recognized framework for sustainability. The Sustainability Report covers the thirteen (13) material topics under the GRI Standards:</p> <ul style="list-style-type: none"> • Economic Performance • Indirect Economic Impacts • Anti-corruption • Anti-competitive Behavior • Energy • Environmental Compliance • Employment • Labor/Management • Training and Education • Diversity and Equality • Non-discrimination • Human Rights Assessment • Supplier Social Assessment <p>The Sustainability Report presents globally comparable information affecting its triple bottom line, a vital component of stakeholder relations. Moreover, the focus on sustainability allows GT Capital to identify potential opportunities or trends or evaluate emerging risks, making the endeavor a risk management and strategic initiative for the Corporation.</p> <p>Sustainability Report, p. 92 of Annual Report https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |
|--|------------------|--|--|

| | | | |
|---|------------------|--|--|
| <p>2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.</p> | <p>Compliant</p> | <p><i>Provide link to Sustainability Report, if any. Disclose the standards used.</i></p> <p>In May 2019, GT Capital released its maiden Sustainability Report with information for the reporting period January 1 to December 31, 2018, adopting the Global Reporting Initiative ("GRI") Standards, an internationally recognized framework for sustainability. The Sustainability Report covers the thirteen (13) material topics under the GRI Standards:</p> <ul style="list-style-type: none"> • Economic Performance • Indirect Economic Impacts • Anti-corruption • Anti-competitive Behavior • Energy • Environmental Compliance • Employment • Labor/Management • Training and Education • Diversity and Equality • Non-discrimination • Human Rights Assessment • Supplier Social Assessment <p>The Sustainability Report presents globally comparable information affecting its triple bottom line, a vital component of stakeholder relations. Moreover, the focus on sustainability allows GT Capital to identify potential opportunities or trends or evaluate emerging risks, making the endeavor a risk management and strategic initiative for the Corporation.</p> <p>Sustainability Report, p. 92 of 2018 Annual Report https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |
|---|------------------|--|--|

Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

Recommendation 11.1

| | | | |
|--|------------------|---|--|
| <p>1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.</p> | <p>Compliant</p> | <p><i>Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any.</i></p> <p>Investor Relations through Website https://www.gtcapital.com.ph/investor-relations</p> <p>Events https://www.gtcapital.com.ph/investor-relations/events</p> <p>Quarterly Briefing Slides https://www.gtcapital.com.ph/investor-relations/presentation-slides</p> <p>Notice of Analyst's/Investors' Briefing http://edge.pse.com.ph/openDiscViewer.do?edge_no=79a62f3882f13f1543ca035510b6ec2b#sthash.Xx5wM5VF.dpbs</p> <p>https://www.gtcapital.com.ph/disclosures?group=Others&DLPreportType=Others&DLPmonth=&DLPyear=&DLPsearch=notice</p> | |
|--|------------------|---|--|

Supplemental to Principle 11

| | | | |
|--|-----------|---|--|
| 1. Company has a website disclosing up-to-date information on the following: | Compliant | <i>Provide link to company website</i> | |
| a. Financial statements/reports (latest quarterly) | Compliant | <u>SEC Form 17-A/17-Q - https://www.gtcapital.com.ph/disclosures?group=SEC%20Form%2017-A%20/%2017-Q</u> | |
| b. Materials provided in briefings to analysts and media | Compliant | <u>Briefing Materials - https://www.gtcapital.com.ph/investor-relations/presentation-slides</u> | |
| c. Downloadable annual report | Compliant | <u>Annual Report - https://www.gtcapital.com.ph/annual-reports</u> | |
| d. Notice of ASM and/or SSM | Compliant | <u>Notice of ASM - https://www.gtcapital.com.ph/disclosures?group=Stockholders%27%20Meetings</u> | |
| e. Minutes of ASM and/or SSM | Compliant | <u>Minutes - https://www.gtcapital.com.ph/governance/stockholders-meeting</u> | |
| f. Company's Articles of Incorporation and By-Laws | Compliant | <u>Articles and By-Laws - https://www.gtcapital.com.ph/aoi-and-by-laws</u> | |
| Additional Recommendation to Principle 11 | | | |
| 1. Company complies with SEC-prescribed website template. | Compliant | <u>http://www.gtcapital.com.ph</u> | |

Internal Control System and Risk Management Framework

Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.

Recommendation 12.1

| | | | |
|---|------------------|---|--|
| <p>1. Company has an adequate and effective internal control system in the conduct of its business.</p> | <p>Compliant</p> | <p>List quality service programs for the internal audit functions.</p> <p>Indicate frequency of review of the internal control system</p> <p><u>Annual Report</u> https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> <p>Statement of adequacy and effectiveness of GT Capital's internal controls and risk management system – p. 63 Internal Audit Function – p. 66</p> <p>Internal Audit conducts an Internal Quality Assessment review and continuously monitors ongoing engagements. The Internal Audit Division has also been reviewed by independent auditing firm KPMG as generally conforming to the highest classification of requirements under the International Standards for Professional Practice of Internal Auditing and the Code of Ethics based on their external quality assessment review.</p> <p>As a result of their risk assessment, Internal Audit identified areas/systems that will be reviewed annually or up to three (3) years.</p> | |
|---|------------------|---|--|

| | | | |
|--|------------------|--|--|
| <p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p> | <p>Compliant</p> | <p>Identify international framework used for Enterprise Risk Management</p> <p>Provide information or reference to a document containing information on:</p> <ol style="list-style-type: none"> 1. Company's risk management procedures and processes 2. Key risks the company is currently facing 3. How the company manages the key risks <p>Indicate frequency of review of the enterprise risk management framework.</p> <p>Review of the ERM framework is on an annual basis. In 2018, a total of thirty-one [31] risks were identified.</p> <p><u>Annual Report (ERM and key risks), pp. 57-59</u> https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> <p><u>Statement of adequacy and effectiveness of GT Capital's internal controls and risk management system</u></p> <p>Annual Report, p. 63 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |
|--|------------------|--|--|

Supplement to Recommendations 12.1

| | | | |
|---|-------------------|---|--|
| <p>1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.</p> | <p>Compliance</p> | <p><i>Provide information on or link/ reference to a document containing the company's compliance program covering compliance with laws and relevant regulations.</i></p> <p><i>Indicate frequency of review.</i></p> <p>GT Capital has adopted certain policies and practices as its official framework, including the Legal and Compliance Division Policies and Procedures Manual, reviewed on an annual basis, to cultivate a culture of compliance and governance within the Corporation.</p> <p><u>Annual Report</u>, pp. 55-60 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> <p>Legal and Compliance Division Policies and Procedures Manual https://www.gtcapital.com.ph/storage/uploads/2018/05/Legal%20and%20Compliance%20PPM_v%201.0_25%20Feb%202013.pdf</p> | |
| <p>Optional: Recommendation 12.1</p> | | | |

| | | | |
|--|------------------|--|--|
| <p>1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.</p> | <p>Compliant</p> | <p><i>Provide information on IT governance process</i></p> <p>The Audit Committee ensures that review of technological security is conducted on a regular basis.</p> <p><u>Manual on Corporate Governance</u> 2.2.4.3 Audit Department Duties and Responsibilities (h), p. 14. https://www.qtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> <p>IT issues are included in the risks monitored by the Risk and Audit Departments of the Corporation. Both departments report to their respective Board Committees, and the chairmen of each committee report significant issues to the Board. In 2017, the Corporation undertook an IT audit to establish general controls for the Corporation, the results of which were reported to the Audit Committee and the Board of Directors.</p> <p>The Corporation also conducted a Privacy Impact Assessment, which was approved by the Board in the first quarter of 2017. This resulted in the augmentation of Corporation's Information Handling Policy, including IT measures, and the Board's delegation of authority to the Executive Committee to approve and adopt the Corporation's Data Privacy Manual.</p> | |
|--|------------------|--|--|

Recommendation 12.2

| | | | |
|--|-----------|---|--|
| 1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations. | Compliant | <p>Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.</p> <p>The Corporation has an Internal Audit Division <u>Annual Report</u>, p. 66 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |
|--|-----------|---|--|

Recommendation 12.3

| | | | |
|--|-----------|---|--|
| 1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board. | Compliant | <p>The Corporation's Chief Audit Executive (CAE) for the year 2018 was Mr. Leo Paul C. Maagma. He replaced Ms. Richel D. Mendoza who resigned effective March 01, 2018</p> <p><u>DIS for the year 2018</u>, p. 16 http://edge.pse.com.ph/openDiscViewer.do?edge_no=56b2f165a02a926043ca035510b6ec2b#sthash.OVix5NNw.dpbs</p> <p><u>DIS for the year 2019</u>, p.16 http://edge.pse.com.ph/openDiscViewer.do?edge_no=8c1f4eb1fa542bebefdfc15ec263a54d#sthash.fvAV114m.dpb §</p> | |
|--|-----------|---|--|

| | | | |
|--|--|--|--|
| 2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider. | Compliant | MCG Section 2.9, p. 23 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf | |
| 3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity. | Not Applicable – no fully outsourced internal audit activity | <p><i>Identify qualified independent executive or senior management personnel, if applicable.</i></p> <p>The Corporation has no fully-outsourced internal audit activity.</p> | |
| Recommendation 12.4 | | | |

| | | | |
|---|--|--|--|
| <p>1. Company has a separate risk management function to identify, assess and monitor key risk exposures.</p> | <p>Compliant</p> | <p><i>Provide information on company's risk management function.</i></p> <p>The Corporation has a Risk Office comprised of the Chief Risk Officer and a full-time risk officer.</p> <p>GT Capital's risk governance structure ensures that risk management is not the sole responsibility of one individual but rather occurs and is supported at all levels in the Corporation. The effectiveness of the risk governance structure and process is supported by well-defined risk management roles and responsibilities and periodic review conducted by the Internal Audit Department.</p> <p><u>Annual Report</u>, p. 57-58 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |
| <p>Supplement to Recommendation 12.4</p> | | | |
| <p>1. Company seeks external technical support in risk management when such competence is not available internally.</p> | <p>Not applicable – Corporation has its own Internal Risk Office</p> | <p><i>Identify source of external technical support, if any.</i></p> <p>The Corporation has its own internal Risk Office, which reports to the Board Risk Oversight Committee on a quarterly basis.</p> | |
| <p>Recommendation 12.5</p> | | | |

| | | | |
|---|------------------|---|--|
| <p>1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).</p> | <p>Compliant</p> | <p>Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.</p> <p>GT Capital's Chief Risk Officer is Winston Andrew L. Peckson</p> <p><u>Annual Report</u>, p. 87 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |
| <p>2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.</p> | <p>Compliant</p> | <p>At the management level, the Corporation's CRO works with the Risk Oversight Committee (ROC) to develop and implement enterprise risk management policies and procedures as well as perform corollary monitoring and reporting to the ROC.</p> <p><u>MCG</u> Annex F – Risk Oversight Committee Charter, p. 1.</p> <p>Qualifications of the CRO – <u>Annual Report</u>, p. 87 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> <p>The CRO is assisted by a full time risk management officer. <u>Annual Report</u>, p. 57</p> | |

Additional Recommendation to Principle 12

| | | | |
|---|------------------|---|--|
| <p>1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.</p> | <p>Compliant</p> | <p><i>Provide link to CEO and CAE's attestation</i></p> <p>The President, the Chief Risk Officer, and the Chief Audit Executive herein certifies that the joint statement of the Audit Committee and the Risk Oversight Committee Chairmen as to the adequacy of the Corporation's internal controls and risk management system was made pursuant to the written recommendation of the Chief Audit Executive and the President. The certification is attached as Annex "E".</p> <p><u>Joint Statement</u> <u>Annual Report, p. 63</u> https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |
|---|------------------|---|--|

Cultivating a Synergic Relationship with Shareholders

Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.

Recommendation 13.1

| | | | |
|--|------------------|--|--|
| <p>1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.</p> | <p>Compliant</p> | <p><i>Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.</i></p> <p><u>MCG,</u> <u>Section 6.1 Rights of Investors/ Minority Interests, p. 25</u> https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |
|--|------------------|--|--|

| | | | |
|--|-----------|--|--|
| 2. Board ensures that basic shareholder rights are disclosed on the company's website. | Compliant | <p><i>Provide link to company's website</i></p> <p>Basic shareholder rights are disclosed in the Manual on Corporate Governance, which is uploaded to GT Capital's website https://www.gtcapital.com.ph/governance/policies</p> | |
| Supplement to Recommendation 13.1 | | | |
| 1. Company's common share has one vote for one share. | Compliant | <p><u>MCG</u> Section 6.3, pp. 26-27 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |
| 2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights. | Compliant | <p><i>Provide information on all classes of shares, including their voting rights if any.</i></p> <p><u>MCG</u> Section 6.3 – Voting Rights, pp. 26-27 and Section 6.9 – Rights to Fair and Equal Treatment p. 29, https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |

| | | | |
|--|------------------|--|--|
| <p>3. Board has an effective, secure, and efficient voting system.</p> | <p>Compliant</p> | <p><i>Provide link to voting procedure. Indicate if voting is by poll or show of hands.</i></p> <p>Voting is by poll.</p> <p><u>Minutes of the May 2018 Annual Stockholders Meeting</u> Item No. 3 – Voting Procedures, p.1. https://www.gtcapital.com.ph/storage/uploads/asm/ASM%202018%20Minutes%20FINAL%20v4.pdf</p> | |
| <p>4. Board has an effective shareholder voting mechanism such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.</p> | <p>Compliant</p> | <p><i>Provide information on shareholder voting mechanisms such as supermajority or "majority of minority", if any.</i></p> <p>The Corporation shall ensure that all shareholders of the same class are treated equally and fairly with respect to voting rights, subscription rights, transfer rights, and share repurchases.</p> <p><u>MCG</u> Section 6.9, p. 29. https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |

| | | | |
|---|------------------|--|--|
| <p>5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.</p> | <p>Compliant</p> | <p><i>Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution)</i></p> <p>Under the Manual on Corporate Governance, minority shareholders have the right to propose the holding of a meeting and the right to propose items in the agenda of the meeting.</p> <p>MCG Section 6.6.2, p. 28 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |
| <p>6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.</p> | <p>Compliant</p> | <p><i>Provide information or link/reference to the policies on treatment of minority shareholders</i></p> <p><u>MCG</u>, Section 6.6.2, & Section 6.6.3, p.28 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |

| | | | |
|---|------------------|---|--|
| <p>7. Company has a transparent and specific dividend policy.</p> | <p>Compliant</p> | <p><i>Provide information on or link/reference to the company's dividend Policy.</i></p> <p>The Corporation has a Board-approved annual target dividend payout of PHP 3.00 per share, payable out of its unrestricted retained earnings.</p> <p><u>Annual Report, p. 76</u> https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> <p><i>Indicate if company declared dividends. If yes, indicate the number of days within which the dividends were paid after declaration. In case the company has offered scrip-dividends, indicate if the company paid the dividends within 60 days from declaration</i></p> <p>Dividends were disclosed through the PSE and uploaded to the GT Capital website: https://www.gtcapital.com.ph/disclosures?group=Dividends</p> | |
|---|------------------|---|--|

Optional: Recommendation 13.1

| | | | |
|---|----------------------|---|---|
| <p>1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.</p> | <p>Compliant</p> | <p><i>Identify the independent party that counted/validated the votes at the ASM, if any</i></p> <p>The votes of stockholders who attended in person or by proxy were validated by the external auditor, SGV.</p> <p><u>May 09, 2018 Annual Stockholders Meeting Minutes</u> Item No. 3 Voting Procedures, p.1. https://www.gtcapital.com.ph/storage/uploads/asm/ASM%202018%20Minutes%20FINAL%20v4.pdf</p> | |
| <p>Recommendation 13.2</p> | | | |
| <p>1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.</p> | <p>Non-Compliant</p> | <p><i>Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out</i></p> <p><i>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</i></p> <p><i>Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS)</i></p> | <p>The Preliminary Information Statement (PIS), including the Notice of the Annual Stockholder's Meeting, was disclosed and posted through PSE Edge on March 28, 2018, or forty-four (44) days before the ASM.</p> <p>http://edge.pse.com.ph/openDiscViewer.do?edge_no=a1e020373f10e88043ca035510b6ec2b#sthash.ikft8Rtg.dpbs</p> |
| <p>Supplemental to Recommendation 13.2</p> | | | |

| | | | |
|---|-----------|---|--|
| 1. Company's Notice of Annual Stockholders' Meeting contains the following information: | Compliant | <p>Provide link or reference to the company's notice of Annual Shareholders' Meeting</p> <p><u>May 09, 2018 ASM Notice and Agenda</u> https://www.gtcapital.com.ph/storage/uploads/asm/2018%20Notice%20and%20Agenda.pdf</p> | |
| a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies) | Compliant | <p><u>DIS, Item No. 5 – Directors and Executive Officers of Registrant, pp. 8-20.</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=8c1f4eb1fa542bebefdfc15ec263a54d#sthash.uymYCHzX.DN6GFR9t.dpbs</p> | |
| b. Auditors seeking appointment/re-appointment | Compliant | <p><u>DIS, p. 21.</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=8c1f4eb1fa542bebefdfc15ec263a54d#sthash.uymYCHzX.DN6GFR9t.dpbs</p> | |
| c. Proxy documents | Compliant | <p><u>May 09, 2018 ASM Notice, Agenda and Proxy</u> https://www.gtcapital.com.ph/storage/uploads/asm/2018%20Notice%20and%20Agenda.pdf</p> <p>https://www.gtcapital.com.ph/storage/uploads/asm/2018%20Proxy%20Form.pdf</p> | |

Optional: Recommendation 13.2

| | | | |
|--|-----------|---|--|
| 1. Company provides rationale for the agenda items for the annual stockholders meeting | Compliant | <p>Provide link or reference to the rationale for the agenda items</p> <p><u>DIS, p. 3.</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=8c1f4eb1fa542bebefdfc15ec263a54d#sthash.uymYCHzX.DN6GFR9t.dpbs</p> | |
| Recommendation 13.3 | | | |
| 1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day. | Compliant | <p>Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.</p> <p><u>May 09, 2018 Annual Stockholders Meeting Minutes</u> https://www.gtcapital.com.ph/storage/uploads/asm/ASM%202018%20Minutes%20FINAL%20v4.pdf</p> <p><u>Results of 2018 ASM</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=3cb4d13d0185586943ca035510b6ec2b#sthash.7LJm6UPq.dpbs</p> | |

| | | | |
|---|------------------|--|--|
| <p>2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.</p> | <p>Compliant</p> | <p>Provide link to minutes of meeting in the company website.</p> <p>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.</p> <p>Indicate also if the voting on resolutions was by poll.</p> <p>Include whether there was opportunity to ask question and the answers given, if any</p> <p>The draft minutes of the 2018 ASM were uploaded to the GT Capital website on May 10, 2018, or one (1) day after the ASM.</p> <p>The voting on agenda items, which was done by poll, and their results are all disclosed in the minutes of the meeting posted on GT Capital's website. Shareholders were given the opportunity to ask questions.</p> <p><u>May 09, 2018 Annual Stockholders Meeting Minutes</u> https://www.gtcapital.com.ph/storage/uploads/asm/ASM%202018%20Minutes%20FINAL%20v4.pdf</p> <p>The draft minutes of the 2019 ASM were also uploaded to the GT Capital Website one (1) day after the 2019 ASM, held on May 08, 2019. https://www.gtcapital.com.ph/storage/uploads/asm/2019%20ASM%20Draft%20Minutes.pdf</p> | |
|---|------------------|--|--|

Supplement to Recommendation 13.3

1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.

Compliant

Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting

External auditor was present during ASM.

May 09, 2018 Annual Stockholders Meeting Minutes, p. 1.

<https://www.gtcapital.com.ph/storage/uploads/asm/ASM%202018%20Minutes%20FINAL%20v4.pdf>

Recommendation 13.4

| | | | |
|--|------------------|--|--|
| <p>1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.</p> | <p>Compliant</p> | <p><i>Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes</i></p> <p>All issues that may result in disputes, claims, or which may be reasonably expected to be subject to corrective action shall be documented in writing by the Corporation's Legal & Compliance Officer. In cases which may result in a claim, the Legal and Compliance Officer shall be responsible for determining the validity of the claim. The Corporation may decide to settle an issue, dispute or claim through judicial or extrajudicial means (including alternative dispute resolution), upon the recommendation of the Legal & Compliance Head and, if necessary, the Company's Board of Directors.</p> <p>Section 6.1.3.4.3, Legal and Compliance Division Policies and Procedures Manual https://www.gtcapital.com.ph/storage/uploads/2018/05/Legal%20and%20Compliance%20PPM_v%201.0_25%20Feb%202013.pdf</p> <p>The Corporation has not had any disputes to date with its stockholders, third parties, or regulatory authorities.</p> <p>In addition, the Corporation has implemented an Investor Relations Program so as to ensure responsive and effective feedback, which should address the shareholder's concerns.</p> <p><u>GT Capital website</u> https://www.gtcapital.com.ph/investor-relations/investor-relations-program</p> | |
|--|------------------|--|--|

| | | | |
|--|------------------|---|--|
| <p>2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.</p> | <p>Compliant</p> | <p><i>Provide link/reference to where it is found in the Manual on Corporate Governance</i></p> <p>Section 6.1.3.4.3, Legal and Compliance Division Policies and Procedures Manual https://www.gtcapital.com.ph/storage/uploads/2018/05/Legal%20and%20Compliance%20PPM%20v%201.0%2025%20Feb%202013.pdf</p> <p><u>MCG</u> Section 2.1.2 (i), p.4. https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |
|--|------------------|---|--|

Recommendation 13.5

| | | | |
|---|------------------|---|--|
| <p>1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.</p> | <p>Compliant</p> | <p>Disclose the contact details of the officer/office responsible for investor relations, such as:</p> <ol style="list-style-type: none"> 1. Name of the person 2. Telephone number 3. Fax number 4. E-mail address <p>Name: Jose B. Crisol, Jr. Position: First Vice President & Head, Investor Relations, Strategic Planning and Corporate Communications Direct Line: 805 1206 Trunk Line: 836 4500 Local 7913 Fax no.: 836 4159 E-mail address: jose.crisol@gtcapital.com.ph</p> <p><u>Other Stakeholders and Investor Relations</u> https://www.gtcapital.com.ph/corporate-governance-report</p> | |
| <p>2. IRO is present at every shareholder's meeting.</p> | <p>Compliant</p> | <p>Indicate if the IRO was present during the ASM.</p> <p>The Compliance Officer herein certifies that the Investor Relations Officer, Jose B. Crisol, Jr., was present at the 2018 ASM. The certification is attached as Annex "C".</p> | |
| <p>Supplemental Recommendations to Principle 13</p> | | | |

| | | | |
|---|------------------|--|--|
| <p>1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group</p> | <p>Compliant</p> | <p><i>Provide information on how anti-takeover measures or similar devices were avoided by the board, if any.</i></p> <p>GT Capital has several measures in place to prevent ineffective management and other similar checks in its Corporate Governance Framework, including: Code of Ethics, Code of Discipline, Whistleblowing Policy, Policy on Conflict of Interest, and Policy on Insider Trading.</p> <p><u>Annual Report</u>, pp. 55-60 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> <p>The Compliance Officer herein certifies that there are no anti-takeover measures or similar devices. The certification is attached as Annex "C".</p> | |
| <p>2. Company has at least thirty percent (30%) public float to increase liquidity in the market.</p> | <p>Compliant</p> | <p><i>Indicate the company's public float.</i></p> <p>GT Capital has a public float of 43.86%</p> <p><u>SEC Form 17-A</u> Item 1. Business, p. 6. http://edge.pse.com.ph/openDiscViewer.do?edge_no=a142933b206075faefdfc15ec263a54d#sthash.rTwnCzqW.dpbs</p> | |
| <p>Optional: Principle 13</p> | | | |

| | | | |
|---|----------------------|--|--|
| <p>1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting</p> | <p>Compliant</p> | <p><i>Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM</i></p> <p><u>GT Capital Policies</u> https://www.gtcapital.com.ph/governance/policies</p> <p>The Corporation provides all updated, pertinent, publicly available financial and operating information to its stockholders through the GT Capital website.</p> <p><u>GT Capital Investor Relations Program</u> https://www.gtcapital.com.ph/investor-relations https://www.gtcapital.com.ph/investor-relations/investor-relations-program</p> | |
| <p>2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.</p> | <p>Non-Compliant</p> | <p><i>Disclose the process and procedure for secure electronic voting in absentia, if any.</i></p> | <p>The Corporation treats its shareholders fairly and equitably. To this end, voting on each agenda item is done by poll. Shareholders may vote in absentia by sending their proxies. The proxies are then tabulated by the Corporation's stock and transfer agent and validated by SGV.</p> |

Duties to Stakeholders

Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.

Recommendation 14.1

| | | | |
|--|------------------|---|--|
| <p>1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.</p> | <p>Compliant</p> | <p><i>Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.</i></p> <p>Shareholder's information is provided through GT Capital's web page https://www.gtcapital.com.ph/share-and-shareholders-information</p> <p><u>Investor Relations Program</u> https://www.gtcapital.com.ph/investor-relations/investor-relations-program</p> | |
| <p>Recommendation 14.2</p> | | | |

| | | | |
|--|------------------|--|--|
| <p>1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.</p> | <p>Compliant</p> | <p><i>Identify policies and programs for the protection and fair treatment of company's stakeholders</i></p> <p>On all matters of importance to investors, especially institutional investors, the company observes the principle of fair treatment of all shareholders.</p> <p><u>MCG</u> Sections 6.2.2, p. 25 6.8, and 6.9, pp. 29 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> <p><u>Policies and Programs</u> https://www.gtcapital.com.ph/governance/policies</p> <p>https://www.gtcapital.com.ph/investor-relations/investor-relations-program</p> | |
|--|------------------|--|--|

Recommendation 14.3

| | | | |
|---|------------------|--|--|
| <p>1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.</p> | <p>Compliant</p> | <p>Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights.</p> | |
| | | <p>Provide information on whistleblowing policy, practices and procedures for stakeholders</p> | |
| | | <p>Name: Jose B. Crisol, Jr. Position: First Vice President & Head, Investor Relations, Strategic Planning and Corporate Communications Direct Line: 805 1206 Trunk Line: 836 4500 Local 7913 Fax no.: 836 4159 E-mail address: jose.crisol@gtcapital.com.ph</p> | |
| | | <p>Alternatively, shareholders may also contact GT Capital through the website https://www.gtcapital.com.ph/contact-US</p> | |
| | | <p>The whistleblowing policy and other practices and procedures are outlined in the GT Capital Website https://www.gtcapital.com.ph/storage/uploads/2018/06/GT%20Capital%20Whistle%20Blowing%20Policy.pdf</p> | |

Supplement to Recommendation 14.3

| | | | |
|--|------------------|---|--|
| <p>1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders are settled in a fair and expeditious manner.</p> | <p>Compliant</p> | <p><i>Provide information on the alternative dispute resolution system established by the company.</i></p> <p><u>MCG</u> Section 2.1.2 (i), p. 4 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> <p>All issues that may result in disputes, claims, or which may be reasonably expected to be subject to corrective action shall be documented in writing by the Corporation's Legal & Compliance Officer. In cases which may result in a claim, the Legal and Compliance Officer shall be responsible for determining the validity of the claim. The Corporation may decide to settle an issue, dispute or claim through judicial or extrajudicial means (including alternative dispute resolution), upon the recommendation of the Legal & Compliance Head and, if necessary, the Company's Board of Directors.</p> <p><u>Section 6.1.3.4.3, Legal and Compliance Division Policies and Procedures Manual</u></p> <p>The Corporation has not had any disputes to date with its stockholders, third parties, or regulatory authorities</p> <p>In addition, the Corporation has implemented an Investor Relations Program so as to ensure responsive and effective feedback, which should address the shareholder's concerns.</p> <p><u>GT Capital website</u> https://www.gtcapital.com.ph/investor-relations/investor-relations-program</p> | |
|--|------------------|---|--|

| Additional Recommendations to Principle 14 | | | |
|--|------------------|--|--|
| <p>1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.</p> | <p>Compliant</p> | <p><i>Disclose any requests for exemption by the company and the reason for the request.</i></p> <p>GT Capital did not seek any exemption from the application of any law, rule or regulation in 2018.</p> | |
| <p>2. Company respects intellectual property rights.</p> | <p>Compliant</p> | <p><i>Provide specific instances, if any.</i></p> <p>The Corporation respects intellectual property rights by proper citation and sourcing in its published materials.</p> <p><u>Full-Year 2018 Analyst & Media Briefing https://www.gtcapital.com.ph/storage/uploads/quarterly-reports/GT%20Capital%20FY%202018%20Briefing%20slides%20-%20Online.pdf</u></p> | |
| <p>Optional: Principle 14</p> | | | |

| | | | |
|--|------------------|--|--|
| <p>1. Company discloses its policies and practices that address customers' welfare</p> | <p>Compliant</p> | <p><i>Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same.</i></p> <p><u>Policies and Programs</u> https://www.gtcapital.com.ph/governance/policies</p> <p>https://www.gtcapital.com.ph/investor-relations/investor-relations-program</p> <p>Customer Welfare and Safety, Environment-Friendly Value Chain and Interaction with Communities <u>Annual Report</u>, pp. 72-75 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> <p>MCG, Section 2.3.5, p. 18 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |
| <p>2. Company discloses its policies and practices that address supplier/contractor selection procedures</p> | <p>Compliant</p> | <p><i>Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same.</i></p> <p><u>Procurement Policies</u> <u>Annual Report</u>, p. 60 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |

Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.

Recommendation 15.1

| | | | |
|---|------------------|--|--|
| <p>1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.</p> | <p>Compliant</p> | <p><i>Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.</i></p> <p>Employee Relations Annual Report, p.69 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |
|---|------------------|--|--|

Supplement to Recommendation 15.1

| | | | |
|---|----------------------|--|---|
| <p>1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.</p> | <p>Non-Compliant</p> | <p><i>Disclose if company has in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.</i></p> | <p>Employees receive annual variable compensation based on performance such as performance bonuses and merit-based raises, and are encouraged to contribute in terms of short term and long term goal-setting, subject to the guidance of the Executive Committee and the Board of Directors.</p> <p>Annual Report, p. 69 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> |
|---|----------------------|--|---|

| | | | |
|--|------------------|--|--|
| <p>2. Company has policies and practices on health, safety and welfare of its employees.</p> | <p>Compliant</p> | <p><i>Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any.</i></p> <p>Policies and Practices on Health, Safety, and Welfare of Employees</p> <p><u>Annual Report, p. 69</u> https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |
| <p>3. Company has policies and practices on training and development of its employees.</p> | <p>Compliant</p> | <p><i>Disclose and provide information on policies and practices on training and development of employees. Include information on any training conducted or attended.</i></p> <p>Training and Development Programs for Employees</p> <p><u>Annual Report, p. 69</u> https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |

Recommendation 15.2

| | | | |
|---|------------------|---|--|
| <p>1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.</p> | <p>Compliant</p> | <p><i>Identify or provide link/reference to the company's policies, programs and practices on anti-corruption</i></p> <p>Code of Discipline and Anti-corruption program <u>Annual Report</u>, p. 56-57 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |
| <p>2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.</p> | <p>Compliant</p> | <p><i>Identify how the board disseminated the policy and program to employees across the organization</i></p> <p>Policies are distributed to and are readily available for access of all directors, officers and employees through website, by request from Legal and Compliance Department, and through the Human Resources and Administration Department.</p> <p><u>Annual Report</u>, pp. 55-56 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> | |
| <p>Supplement to Recommendation 15.2</p> | | | |

| | | | |
|--|------------------|--|--|
| <p>1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.</p> | <p>Compliant</p> | <p><i>Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices.</i></p> <p><i>Include any finding of violations of the company policy.</i></p> <p>Code of Discipline and Anti-corruption program</p> <p>Annual Report, p. 56-57 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> <p>To date, there has been no violation of company policy.</p> | |
| <p>Recommendation 15.3</p> | | | |

| | | | |
|--|------------------|---|--|
| <p>1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation</p> | <p>Compliant</p> | <p><i>Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees.</i></p> <p><i>Indicate if the framework includes procedures to protect the employees from retaliation.</i></p> <p><i>Provide contact details to report any illegal or unethical behavior.</i></p> <p>The Whistleblowing Policy clearly defines who qualifies as a whistleblower; outlines a procedure for reporting in good faith acts and omissions that violate any law, rule or regulation or that constitute unethical conduct or fraudulent accounting, among others; and provides protection for the whistleblower through provisions on confidentiality and non-retaliation.</p> <p>Reports by stakeholders, including employees, may be submitted by e-mail to governance@gtcapital.com.ph or directly in writing to the Chief Audit Executive ("CAE").</p> <p><u>Whistleblowing policy</u> <u>https://www.gtcapital.com.ph/governance/policies</u></p> | |
| <p>2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.</p> | <p>Compliant</p> | <p><u>Whistleblowing policy</u> <u>https://www.gtcapital.com.ph/governance/policies</u></p> | |

| | | | |
|---|------------------|---|--|
| <p>3. Board supervises and ensures the enforcement of the whistleblowing framework.</p> | <p>Compliant</p> | <p><i>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.</i></p> <p>Investigations and findings arising from the whistleblowing policy are overseen by the Board through the Corporate Governance and Related Party Transactions Committee. To date, there have been no reported incidents under the Whistleblowing Policy.</p> <p><u>MCG</u> Annex G – Whistleblowing Policy, p. 2 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |
|---|------------------|---|--|

Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

Recommendation 16.1

| | | | |
|---|------------------|--|--|
| <p>1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.</p> | <p>Compliant</p> | <p><i>Provide information or reference to a document containing information on the company's community involvement and environment-related programs.</i></p> <p><u>Corporate Social Responsibility</u> https://www.gtcapital.com.ph/csr</p> | |
|---|------------------|--|--|

Optional: Principle 16

| | | | |
|--|------------------|---|--|
| <p>1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development</p> | <p>Compliant</p> | <p><i>Identify or provide link/reference to policies, programs and practices to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development.</i></p> <p>Customer Welfare and Safety, Environment-Friendly Value Chain and Interaction with Communities</p> <p><u>Annual Report</u>, pp. 72-75 https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> <p><u>MCG</u>, Section 2.3.5, p. 18 https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |
|--|------------------|---|--|

| | | | |
|--|------------------|---|--|
| <p>2. Company exerts effort to interact positively with the communities in which it operates</p> | <p>Compliant</p> | <p><i>Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.</i></p> <p>Customer Welfare and Safety, Environment-Friendly Value Chain and Interaction with Communities</p> <p><u>Annual Report, pp. 72-75</u> https://www.gtcapital.com.ph/storage/uploads/annual-reports/GTCAP_AR18_web.pdf</p> <p><u>MCG, Section 2.3.5, p. 18</u> https://www.gtcapital.com.ph/storage/uploads/2019/05/MCG%20as%20of%20May%208,%202019.pdf</p> | |
|--|------------------|---|--|

Pursuant to the requirements of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the city of Makati on May 23, 2019.

SIGNATURES

Original Signed
ARTHUR VY TY
Chairman of the Board

Original Signed
CARMELO MARIA LUZA BAUTISTA
President

Original Signed
RENATO C. VALENCIA
Lead Independent Director

Original Signed
WILFREDO A. PARAS
Independent Director

Original Signed
JAIME MIGUEL G. BELMONTE
Independent Director

Original Signed
RENE J. BUENAVENTURA
Independent Director

Original Signed
ANTONIO V. VIRAY
Corporate Secretary

Original Signed
RENEE LYNN MICIANG-ATIENZA
Compliance Officer

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
S.S.

BEFORE ME, at the above-stated place, this 23th day of MAY 23, 2019 2019 personally appeared the following:

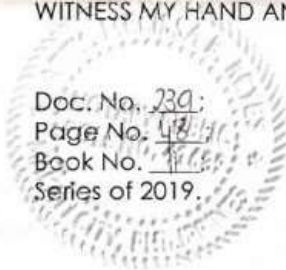
| Name | Identification Document | Place of Issuance/Validity |
|-----------------------------|-------------------------|----------------------------|
| Arthur V. Ty | | |
| Carmelo Maria Luza Bautista | | |
| Renato C. Valencia | | |
| Wilfredo A. Paras | | |
| Jaime Miguel G. Belmonte | | |
| Rene J. Buenaventura | | |
| Antonio V. Viray | | |
| Renee Lynn Miciano-Atienza | | |

known to me to be the same persons who executed the foregoing instrument and acknowledged to me that the same is their free act and deed, as well as the act and deed of the entities they represent.

This instrument consists of 151 () pages, including the page on which this acknowledgement is written.

WITNESS MY HAND AND SEAL ON THE DATE AND PLACE FIRST STATED.

Doc. No. 230
Page No. 48
Book No. 118
Series of 2019.



Original Signed
ATTY. MELISSA H. REYES
Notary Public for Makati City until December 31, 2020
Roll No. 41639 / Appointment No. M-120
IBP 054764 / PTR No. 6618489
45/F GT Tower International, Ayala Avenue
Corner H.V. Dela Costa, Makati City

CERTIFICATION

I, Atty. Antonio V. Viray, Filipino and of legal age, do hereby certify, that:

1. I am the Corporate Secretary of GT Capital Holdings, Inc. ("GT Capital" or the "Corporation"), a corporation duly licensed and existing under the laws of the Republic of the Philippines, with principal address at 43rd Floor, GT Tower International, 6813 Ayala Avenue cor. H.V. Dela Costa, Makati City;
2. In relation to Recommendation 1.5 (Optional) and in accordance with my duties and responsibilities as Corporate Secretary, materials for board meetings are distributed at least five (5) business days before the scheduled meetings;
3. In relation to Recommendation 4.1.3, directors ask necessary questions or seek clarifications and explanations during the Board and Committee meetings and such participation, questions and clarifications are included in the minutes of the meetings;
4. In relation to Recommendation 5.6.1, directors with material interest in the transactions abstain from taking part in deliberations and such is reflected in the minutes of the meeting;
5. In relation to Recommendation 8.5.1, directors with conflicts of interest abstain from discussion of Related Party Transactions during Board meetings; and
6. In relation to Supplement to Recommendation 8.5.1, directors disclose their interests in transactions or any other conflict of interests, which is reflected in the minutes of the meetings.

This certification is being issued in compliance with the Integrated Annual Corporate Governance Report ("IACGR") for the year 2018.

Makati City, Philippines, May 23, 2019.

Original Signed
ATTY. ANTONIO V. VIRAY
Corporate Secretary

CERTIFICATION

I, Susan E. Cornelio, Filipino and of legal age, do hereby certify, that:

1. I am the Head of Human Resources and Administration of GT Capital Holdings, Inc. ("GT Capital" or the "Corporation"), a corporation duly licensed and existing under the laws of the Republic of the Philippines, with principal address at 43rd Floor, GT Tower International, 6813 Ayala Avenue cor. H.V. Dela Costa, Makati City;
2. In relation to Recommendation 2.4.2, I certify to the existence of an employee handbook of GT Capital which states the retirement policy of the Corporation's officers and other employees, including the retirement benefits which they are entitled to.

This certification is being issued in compliance with the Integrated Annual Corporate Governance Report ("IACGR") for the year 2018.

Makati City, Philippines, May 23, 2019.

Original Signed
SUSAN E. CORNELIO
VP/Head, Human Resources and Administration

CERTIFICATION

I, Atty. Renee Lynn Miciano-Atienza, Filipino and of legal age, do hereby certify, that:

1. I am the Head of Legal and Compliance of GT Capital Holdings, Inc. ("GT Capital" or the "Corporation"), a corporation duly licensed and existing under the laws of the Republic of the Philippines, with principal address at 43rd Floor, GT Tower International, 6813 Ayala Avenue cor. H.V. Dela Costa, Makati City;
2. In relation to Recommendation 2.10.3, the Internal Audit Charter was approved by the Board;
3. In relation to Recommendation 3.2.2. (Optional), the Audit Committee approved the appointment of Mr. Leo Paul C. Maagma as Internal Auditor;
4. In relation to Recommendation 4.3.1, the directors submit their updated profiles to the Nominations Committee on an annual basis;
5. In relation to Recommendation 8.1, the Corporation's Legal and Compliance Department Policies and Procedures Manual include policies and procedures on: 6.1. Structured Compliance Reporting; and 6.2 Unstructured Compliance Reporting, which include disclosures on financial condition, results and business operations of the Corporation;
6. In relation to Recommendation 13.5.2, the Corporation's Investor Relations Officer, Mr. Jose B. Crisol, Jr., was present at the 2018 Annual Stockholders' Meeting; and
7. In relation to Supplemental Recommendations to Principle 13.1, that there are no anti-takeover measures or similar devices.

This certification is being issued in compliance with the Integrated Annual Corporate Governance Report ("IACGR") for the year 2018.

Makati City, Philippines, May 23, 2019.

Original Signed
ATTY. RENEE LYNN MICIANO-ATIENZA
VP/Head, Legal and Compliance Department

CERTIFICATION

I, Francisco H. Suarez, Jr., Filipino and of legal age, do hereby certify, that:

1. I am the Chief Financial Officer of GT Capital Holdings, Inc. ("GT Capital" or the "Corporation"), a corporation duly licensed and existing under the laws of the Republic of the Philippines, with principal address at 43rd Floor, GT Tower International, 6813 Ayala Avenue cor. H.V. Dela Costa, Makati City;
2. In connection with Supplement to Recommendation 3.2.1 of the Corporation's Integrated Annual Corporate Governance Report ("IACGR") for the year 2018, the Audit Committee reviewed the non-audit fees for services conducted by the Corporation's external auditor, Sycip Gorres Velayo & Co., in relation to the audit fees to ensure that the non-audit fees do not outweigh the audit fees and approved the same.

This certification is being issued in compliance with the IACGR for the year 2018.

Makati City, Philippines, May 23, 2019.

Original Signed
FRANCISCO H. SUAREZ, JR.
EVP/Chief Financial Officer

CERTIFICATION

We, Carmelo Maria Luza Bautista, Winston Andrew L. Peckson, and Leo Paul C. Maagma, Filipinos and of legal age, do hereby certify, that:

1. We are the President, Chief Risk Officer, and Chief Audit Executive, respectively, of GT Capital Holdings, Inc. ("GT Capital" or the "Corporation"), a corporation duly licensed and existing under the laws of the Republic of the Philippines, with principal address at 43rd Floor, GT Tower International, 6813 Ayala Avenue cor. H.V. Dela Costa, Makati City;
2. In relation to Additional Recommendation to Principle 12.1, the joint statement of the Audit Committee and the Risk Oversight Committee as to the adequacy of the Corporation's internal controls and risk management system was made pursuant to the written recommendation of the Chief Audit Executive and the President.

This certification is being issued in compliance with the Integrated Annual Corporate Governance Report ("IACGR") for the year 2018.

Makati City, Philippines, May 23, 2019.

Original Signed

CARMELO MARIA LUZA BAUTISTA
President

Original Signed

WINSTON ANDREW L. PECKSON
Chief Risk Officer

Original Signed

LEO PAUL C. MAAGMA
Chief Audit Executive