LFM
PROPERTIES CORPORATION

30 May 2023

RACHEL ESTHER J. GUMTANG-REMALANTE
Director, Corporate Governance and Finance Department
Securities and Exchange Commission
Secretariat Building, PICC Complex,
Roxas Boulevard, Pasay City

Dear Director Gumtang-Remalante,

In compliance with SEC Memorandum Circular No. 15 Series of 2017, LFM Properties Corporation is pleased to submit its Integrated Corporate Governance Report for the year 2022.

We hope that you find everything in order

ANNA ISABEL CHAN
Compliance Officer

COVER SHEET

S.E.C. Registration Number

A S O 9 5 0 1 2 5 6 1

Company Name

L F M P R O P E R T I E S C O R P O R A T I O N

Principal Office (No./ Street/Barangay/ City / Town / Province)

L I B E R T Y B U I L D I N G 8 3 5 A A R N A I Z

A V E N U E L E G A S P I V I L L A G E

M A K A T I C I T Y

Contact Person	Company's Telephone Number/s
MICHAEL JOHN A. TANTOCO JR.	88937790

Month / Day Of Fiscal Year	FORM TYPE	Month / Day Of Annual Meeting
12 / 31	**I-ACGR**	07 / 26

Secondary License (if Applicable)

Department Requiring this Document

Amended Articles

Number/Section

Total Amount of Borrowings

To be Accomplished by SEC Personnel Concerned

File Number

LCU

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SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **December 31, 2022**

2. SEC Identification Number **ASO95012561**

3. BIR Tax Identification No. **004-656-232**

4. Exact name of issuer as specified in its charter: **LFM Properties Corporation.**

5. **Makati City, Philippines**	6. (SEC Use Only)
Province, Country or other jurisdiction of incorporation or organization	Industry Classification Code

7. **Liberty Building, 835 A. Arnaiz Avenue, Makati City**	**12229**
Address of principal office	Postal Code

8. **(+632) 88937790**
Issuer's telephone number, including area code

9. **N/A**
Former name, former address, and former fiscal year, if changed since last report.

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<tr><td colspan="4">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.</td></tr>
<tr><td colspan="4">Recommendation 1.1</td></tr>
<tr><td>1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.</td><td>COMPLIANT</td><td rowspan="3">LPC's policies on experience, competence, and qualifications of the Board of Directors may be seen in pages 2 to 14 of the Revised Code of Corporate Governance (the "RCG").

In addition to the qualifications set by law and regulations for directors, the Nominations Committee ensures that the criteria in Board Diversity and Qualifications are property embodied by each nominee to directorship positions.

The guiding principles in the selection and appointment of directors is as follows:
1. Whether the nominee possess the knowledge, skills, expertise, experience and independence of mind to perform their responsibilities as a member of the Board of Directors;</td><td rowspan="3"></td></tr>
<tr><td>2. Board has an appropriate mix of competence and expertise.</td><td>COMPLIANT</td></tr>
<tr><td>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.</td><td>COMPLIANT</td></tr>
</table>

		2. Whether the nominee possess a record and reputation for integrity and good repute; 3. Whether the nominee will have sufficient time to carry out their responsibilities; and 4. Whether they possess all the qualifications or any of the disqualifications to be a member of the Board. Furthermore, the policy on Board diversity states that the Nominations Committee should consider representation of all genders, age, educational backgrounds, and expertise – with appointment based on merit, probity, sedulousness, integrity, and honesty (RCG, page 3-4). The above will also be detailed in the Definitive Information Statement that will be filed by LPC. However, given that LPC was listed in November of 2022, the first Definitive Informaiton Statement will be submitted further to the July 26, 2023 Annual Stockholders' Meeting; which is subsequent to the date of this I-ACGR.	

Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	**COMPLIANT**	Please refer to the Board's Governance Responsibilities portion of the attached Code of Corporate Governance. Out of the seven (7) directors of the company, only two (2) form part of the management team. The directors that form part of the Management Team are the following: 1. Jose S. Jalandoni - President; and 2. Williaam L. Ang – Vice President/ Treasurer. Please refer to the following link for a list of the Corporation's Board of Directors as well as its Management Officers: https://edge.pse.com.ph/companyPage/directors_and_management_list.do?cmpy_id=698	
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	**COMPLIANT**	In the RCG LPC requires the Onboarding of Directors. This pertains to director education on LPC's heritage, mission,	

		vision, values, core competencies, and other related matters (RCG, page 6-7). For existing and current directors there is an annual and continuing training for all directors of the company. This is aimed at ensuring that throughout a Director's tenure they are well appraised of any and all developments that relate to LPC, or matters that they would need to know in their capacity as Directors, or members of a particular committee (RCG, page 7). To aid in this function, the following are implemented by LPC: 1. Chairman of the Board is also responsible in ensuring the proper orientation for first-time directors and continuing training opportunities for all directors (RCG, page 15). 2. The Compliance Officer ensure the attendance of the Board Members and Key Officers to relevant trainings (RCG, page 17). 3. The Nominations Committee is tasked with recommending the education and training programs for directors (RCG, page 26)	

2. Company has an orientation program for first time directors.	**COMPLIANT**	The RCG provides the following (RCG, Page 6-7): *"LPC has an onboarding program for first-time directors. At this onboarding program, a new director is acquainted to LPC's heritage; its mission, vision, and values; goals and aspirations; and the core competencies that are at the heart of the Company.* *A new director will also be appraised of his duties and responsibilities, as well as an introduction and discussion of the Commission's mandated topics on corporate governance, an overview and discussion of LPC's charter documents, and its code of Business Conduct and Ethics. Furthermore, at this onboarding program, the new director will be introduced to the key management and staff of LPC. The new director may also ask any all questions or clarify matters that he deems necessary, and in furtherance of such, request for documents to complete and complement his understanding of LPC's business operations*."	

3. Company has relevant annual continuing training for all directors.	**COMPLIANT**	For existing and current directors there is an annual and continuing training for all directors of the company. The RGC States (RCG, page 7): *"There will be an annual and continuing training for all directors of the company. This is aimed at ensuring that throughout a Director's tenure they are well appraised of any and all developments that relate to LPC or matters that they would need to know in their capacity as Directors, or members of a particular committee.* *Such orientation may be done by LPC, or a third-party provider. In all cases, such trainings shall pertain to developments of the business, regulatory environments, and emerging risks that the company faces – including trainings on audit, internal controls, risk detection and management, sustainability, and strategy*."	For the year 2022 the LPC Directors were unable to attend any seminar. As mentioned above, LPC was listed on the Philippine Stock Exchange on November 2022. As such, there was lack of material time to have the directors attend the relevant training.
Recommendation 1.4			

1. Board has a policy on board diversity.	**COMPLIANT**	Board diversity is of utmost importance to LPC, since having Directors with various backgrounds facilitates holistic discussions on matters brought to the attention of the Board. Under the RCG, LPC has adopted a concrete policy on board diversity. The RCG states (page 3-4): "*LPC is committed to composing a Board of Directors that are diverse as to gender, age, ethnicity, culture, skills, competence and knowledge. The purpose of such commitment is to remove groupthink and provide for a counterbalance against ingrained biases to ensure that optimal decision making is achieved.* *To achieve its diversity aspirations the Board and the Nominations Committee shall consider the following:* *1. That there is representation of all genders in the Board of Directors as well as the committees, if practicable;* *2. That the Board should be composed of persons of different ages;*	

		3. The Board should be composed of directors with various educational backgrounds; *4. The nominees and directors should all be from various expertise and backgrounds, but such backgrounds should be of a nature that the director can provide valuable input or relevant alternative perspectives;* *5. Ensure that that board is composed of persons who possess the proper balance of skills, expertise, and knowledge, that align with the strategic goals of LPC;* *6. At all times the prime consideration for appointment should be merit, probity, sedulousness, integrity, and honesty. Appointment should not be based on affinity, relationship, or not merely for the sake of having a diverse board."* Furthermore, the Board is composed of persons of different genders as well as educational and professional backgrounds.	
Optional: Recommendation 1.4			

1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	**COMPLIANT**	Please see pages 3-4 of the RCG for the policy on board diversity, as reported on above.	
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	**COMPLIANT**	Under the RCG, the board ensures that it is assisted by a Corporate Secretary, who is preferably not a member of the Board and is separate from the Compliance Officer. Furthermore, the Corporate Secretary is primarily responsible to the corporation and its shareholders, and not to the President, Chairman, or Board (RCG, page 10).	
2. Corporate Secretary is a separate individual from the Compliance Officer.	**COMPLIANT**		The Corporate Secretary is Ma. Adelina S. Gatdula; while the Compliance Officer is Maria Isabel Jalandoni Chan.
3. Corporate Secretary is not a member of the Board of Directors.	**COMPLIANT**		
4. Corporate Secretary attends training/s on corporate governance.	**COMPLIANT**	The Corporate Secretary is mandated to attend seminars on Corporate Governance annually. The Corporate Secretary attended the training/ workshop conducted by the Center for Global Best Practices held on March 19, 2021.	As mentioned above, for the year 2022 the LPC Corporate Secretary was unable to attend any seminar. LPC was listed on the Philippine Stock Exchange on November 2022. As such, there was lack of material time to have the directors attend the relevant training.
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	**COMPLIANT**	LPC believes that it is for the best interest of the Company if the Board acts on a fully and well-informed basis. Consequently, timely dissemination of the materials are made before the meetings. In particular, the Corporation	

		ensures that the materials for the board meetings are emailed to each director.	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	**COMPLIANT**	The RCG of the Company states the following: *"The Compliance officer holds the same rank as Senior Vice-President who is preferably not a member of the Board. Furthermore, the Compliance Officer is primarily responsible to the corporation and its shareholders, and not to the President, Chairman, or Board."*	
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**		
4. Compliance Officer attends training/s on corporate governance.	**NON-COMPLIANT**	The compliance officer is mandated to attend seminars on corporate governance annually.	The Company's Compliance Officer, Gabriel Marasigan, had resigned on May 31, 2023; and given that LPC was lilsted on the exchange in Nomveber if 2022, there was a lack of material time for him to find a suitable seminar to attend.
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			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	**COMPLIANT**	Among the duties and norms of conduct of the Board is the requirement that the Board must act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company (RCG, Page 9).	

		The RCG of the Company highlights the functions and duties that a member of the Board as well as the underlying committees owe to the Company and to its relevant shareholders and stakeholders.	
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	**COMPLIANT**	The RCG provides that the Board is tasked with the following, among others: *"The Board should oversee the development and approve the company's business and strategy and monitor its implementation. In furtherance of this duty the Board should establish a strategy execution process that would facilitate and aid management in reaching company goals, taking into consideration company culture and the current business environment"*	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	**COMPLIANT**		
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	**COMPLIANT**	Please refer to page 1 of the RCG. **MISSION** LFM Properties Corporation is dedicated in providing quality services to our	

		customers' real property needs in all its aspects. Through total quality management, passion for technology, responsive services, empowered employees, we will deliver the goals of the customers to improve productivity in the real estate markets and increase stakeholder values **VISION** LFM Properties Corporation aims to grow its business and retain its profitable position in the Philippines real estate business by capitalizing on the environment, economic and social trends and by leveraging synergies from its affiliates.	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	**COMPLIANT**	Please refer to page 6 of the RCG which mandates the board to monitor the implementation and corporate performance.	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	**COMPLIANT**	Please see page 9 of the RCG which provides that LPC will, always, be headed by a competent and qualified Chairperson.	

		The Chairperson of the Company is Mr. William Carols Uy.	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	**COMPLIANT**	Please see pages 9 and 26 where it is among the duties of the Board of Directors, aided by the nominations committee, to adopt an effective succession planning program for directors and key officers.	
2. Board adopts a policy on the retirement for directors and key officers.	**NON-COMPLIANT**		The company firmly believes that age should not be the sole criterion for board membership or holding executive positions. Instead, as long as a board member or executive meets the company's performance expectations and fulfills their responsibilities effectively, there will be no hindrances to their service. Furthermore, the company acknowledges the significance of incorporating a well-balanced mix of youthful perspectives and seasoned expertise, as it introduces a dynamic element to the organization. This blend enables the company to maintain a link to its past and heritage while also empowering it to shape its future
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	**COMPLIANT**	Please refer to pages 9, 21, and 26 – 27 of the RCG. The Remuneration Committee is responsible for aligning	

		LPC's compensation structure with its long-term interests. Additionally, the Company implements a remuneration policy to guarantee fair and reasonable compensation. The Remuneration Committee is tasked with the responsibility of ensuring that the compensation received by both the Board and management is in line with the Company's culture, strategy, and the prevailing business environment. Additionally, the compensation of the Company's top management is directly linked to the Company's performance. To prevent excessive executive compensation and ensure fairness, the Company has established an internal mechanism that ensures compensation is justified and merited.	
2. Board adopts a policy specifying the relationship between remuneration and performance.	**COMPLIANT**		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	**COMPLIANT**		
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	**COMPLIANT**	The board and the Shareholders approve the remuneration of the senior management during the Annual Stockholder's Meeting. Furthermore, the estimated compensation for the senior executives is indicated and laid out in the company's	

		Definitive Information Statement. This will be detailed in the Definitive Information Statement that will be submitted further to the 2023 ASM.	
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.	**COMPLIANT**	Please refer to pages 22-23 of the attached RCG. Under this portion of the RCG the remuneration philosophy of the Company is as follows: 1. Level of remuneration should be commensurate to the given responsibilities; 2. Remuneration payout schedules should be sensitive to the risk outcome; 3. Remuneration must be aligned with the goals and interests of the company, shareholders, and stakeholders; 4. Remuneration must always have a direct correlation with performance, considering the business and economic environment of the given year; and 5. Remuneration given must be competitive with what is being offered by the market to ensure	

		that LPC will be an attractive employer.	
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	**COMPLIANT**	Please refer to page 8 and 25-26 of the RCG. The RCG provides the following: The directors will be elected annually by the stockholders entitled to vote and will serve until the election and qualification of their successors. In considering the nominees for the position of Director, the Nominations Committee and the Board will consider the matters stated in the "Board Diversity" and "Qualifications" portion of this Code. Furthermore, shareholders can nominate a candidate to the Board, and such procedure is stated in the notice of the Annual Meetings sent to such shareholders. Finally, the Nomination Committee reviews and evaluates the qualifications of all persons nominated to the position of Director and passes its recommendation to the Board. At the	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	**COMPLIANT**		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	**COMPLIANT**		
4. Board nomination and election policy includes how the board shortlists candidates.	**COMPLIANT**		
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.	**COMPLIANT**		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	**COMPLIANT**		

		very least the following are the guiding principles in the review and evaluation of the qualifications of the nominees: 1. Whether the nominee possess the knowledge, skills, expertise, experience and independence of mind to perform their responsibilities as a member of the Board of Directors; 2. Whether the nominee possess a record and reputation for integrity and good repute; 3. Whether the nominee will have enough time to carry out their responsibilities; and 4. Whether they possess all the qualifications or any of the disqualifications to be a member of the Board. Furthermore, under the charter of the Nominations Committee they are tasked with the following duties and responsibilities: 1. Determines the nomination and election process for the company's directors;	

		2. Defines the general profile of board members that the company may need; 3. Ensures that appropriate knowledge, competencies and expertise that complement the existing skills of the Board are adopted as standards and criteria for nomination and election; 4. Evaluate and recommend to the Board of Directors candidates for senior management and key personnel positions; and 5. Ensure that the candidates for senior management and key personnel possess the necessary qualifications and criteria to enable them to perform their functions.	
Optional: Recommendation to 2.6			
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.	**NON-COMPLIANT**	Identify the professional search firm used or other external sources of candidates.	The Company will embrace this recommendation when the need arises. Presently, the Company does not perceive any added value in engaging professional search firms or external databases. Candidates for the Board of Directors are considered extremely valuable to the Company, and the recommendations and character endorsements from individuals trusted by the Company hold greater

			significance compared to mere suggestions from paid third-party service providers.
Recommendation 2.7			
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.	**COMPLIANT**	Under the Company's Code of Corporate Governance the Audit Committee has a related party transaction function. The Audit Committee shall be the body that evaluates and studies: (i) whether a Related Party Transaction (hereafter "RPT") is on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions under similar circumstances; and (ii) that no corporate or business resources of the company are misappropriated or misapplied. In furtherance of this the Audit Committee shall have the following functions: 1. Determines any potential reputational risk issues that may arise as a result of or in connection with RPTs. In evaluating RPTs, the Committee considers, among others, the following:	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	**COMPLIANT**		
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	**COMPLIANT**		

		a. The related party's relationship to the company and interest in the transaction; b. The material facts of the proposed RPT, including the proposed aggregate value of such transaction; c. The benefits to the corporation of the proposed RPT; d. The availability of other sources of comparable products or services; and e. An assessment of whether the proposed RPT is undertaken on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The company should have an effective price discovery system in place and exercise due diligence in determining a fair price for RPT. 2. Ensures that appropriate disclosures made, and/or	

		information is provided to regulating and supervising authorities relating to the company's RPT exposures, and policies on potential and/or actual conflicts of interest. The disclosure should include information on the approach to managing material conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of the company's affiliation or transactions with other related parties; 3. Reports to the Board of Directors on a regular basis, the status, and aggregate exposures to each related party, as well as the total amount of exposures to all related parties; 4. Ensures that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process; and 5. Oversees the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs,	

		including a periodic review of RPT policies and procedures.	
Supplement to Recommendations 2.7			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered *de minimis* 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.	**NON-COMPLIANT**	The Company is still in the process of finalizing its Material Related Transaction Policy.	Given that the Company was listed on the exchange in November of 2022, it is still in the process of drafting its material related transactions policy.
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.	**NON-COMPLIANT**		There are no set voting systems for the approval of specific types of related transaction policies. However, the Company expects its directors to inhibit in matters voted on that give rise to a conflict of interest.
Recommendation 2.8			
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).	**COMPLIANT**	ccording to the RGC, it is the obligation of the Board to establish a skilled management team consisting of individuals who possess the necessary capabilities and have demonstrated their competence and abilities in their respective fields.	

		Therefore, it is the board's duty to approve the appointment of top management and the leaders of other control functions, as well as to evaluate their performance. In addition, it is customary for the President and other senior management members to be appointed by the Board of Directors. Their appointment and selection take place during the organizational meeting that follows the Annual Shareholders' meeting.	
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).	**COMPLIANT**	Please refer to page 11 of the RCG, where it states that one of the responsibilities of the Board is to evaluate the performance of senior management and the leaders of other control functions. Moreover, during Board meetings, there is open and honest communication between senior management and the directors. The directors provide feedback on corporate activities and actions based on the presentations and reports presented during the meetings.	
Recommendation 2.9			

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.	**COMPLIANT**	Please refer to page 9 of the RCG which makes it among the *Duties and Norms of Conduct of the Board.*	
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.	**COMPLIANT**		
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	**COMPLIANT**	Under the RCG it is among the responsibilities of the Board to ensure that the appropriate internal control systems are in place, including a mechanism for monitoring and managing potential/ actual conflicts of interest of board members, management, and shareholders.	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	**COMPLIANT**		
3. Board approves the Internal Audit Charter.	**COMPLIANT**	Please refer to page 21 and 28-29 of the RCG. Under the mechanism of the Company, the Audit Charter is formulated by the Audit Committee, and the audit committee recommends the approval of the Audit Charter to the Board.	

Recommendation 2.11			
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.	**COMPLIANT**	Please refer to page 12 of the RCG. Furthermore, the ERM functions of the Board are assisted by the Risk Oversight Committee which is primarily responsible for tracking, collating, and analyzing the various risks that LPC faces. It is this understanding and grasp of potential risks that places management in a position to make well informed decisions based on juxtaposing the current risk environment, current business activities, and future plans and opportunities (Page 30, RCG). Furthermore, the Enterprise Risk Management Plan contains the following elements: (a) common language or register of risks, (b) well-defined risk management goals and objectives, (c) uniform processes of assessing risks and developing strategies to manage prioritized risks, (d) designing and implementing risk management strategies, and (e) continuing assessments to improve risk strategies, processes and measures (Page 30, RCG).	
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.	**COMPLIANT**		
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.	**COMPLIANT**	**Duties and Norms of Conduct of the Board as a Body** Pages 9-11 of the RCG provides for the duties and norms of conduct that the board must adhere to as a body. **Duties and Norms of Conduct of a Director** Pages 9-11 of the RCG provides the duties and norms of conduct that are incumbent upon each director. **Deliverables of the Board of Directors** Page 11 of the RCG provides for a list of assumptions and target deliverables of the Board.	
2. Board Charter serves as a guide to the directors in the performance of their functions.	**COMPLIANT**		
3. Board Charter is publicly available and posted on the company's website.	**PARTIALLY-COMPLIANT**	The board Charter is made publicly available through the Code of Corporate Governance which is available through the following link: https://lfmproperty.files.wordpress.com/2021/06/lpc-corporate-governance.pdf furthermore, given that the company was just listed in November of 2022, it is	

		still in the process of updating its website.	
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	**COMPLIANT**	The Company adopts the rules provided in the Securities and Regulation Code along with its Implementing Rules and Regulations.	
Optional: Principle 2			
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.	**COMPLIANT**	As a matter of general practice, LPC refrains from granting personal loans to directors and officers.	
2. Company discloses the types of decision requiring board of directors' approval.	**COMPLIANT**	Please refer to page 29 of the RCG. Furthermore, these are contained in the minutes of the meeting of the Board of Directors, which the public, with reasonable demand, may access.	
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			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	**COMPLIANT**	Please refer to pages 15 to 24 of the RCG. The current committees of the Board are the (1) Executive Committee; (2) Audit Committee; (3) Nomination Committee;	

		(4) Remuneration Committee; and (5) Risk Oversight Committee.	
Recommendation 3.2			
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.	**COMPLIANT**	Please refer to pages 15 to 20 of the RCG. The composition of the Audit Committee is available through the Definitive Information Statement as well as the Company's disclosure on the results of the organizational meeting.	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	**COMPLIANT**	The Audit Committee of the Company is composed of two independent directors and one non-executive board member.	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	**COMPLIANT**	Please refer to page 15 of the RCG which provides that all members of the audit committee must possess a background, knowledge, skills, or experience in the areas of accounting, auditing, or finance.	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	**NON-COMPLIANT**		The Chairman of the Audit Committee also chairs the Compensation and Remuneration Committee. The Members of the aforementioned committees are not the same, and hence there are ample checks and balances in

			place to provide the necessary and desirable check and balances. Furthermore, the Company saw fit that the Chairperson in the determination of the compensation of Directors and Officers is at the same time the person who is tasked with knowledge of the Companies financial standing. This gives an unparalleled view on how Directors and Officers should be compensated based on the performance of the Company. Lastly, the Corporation only has two independent directors and four committees. Consequently, avoiding overlapping chairmanship of a committee is unavoidable. In the evaluation of Corporate Governance principles to comply with; the Company evaluated that chairmanship of committees by independent directors was more important than having different chairpersons per committee.
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	**COMPLIANT**	Please refer to page 22 of the RCG which provides that the Audit Committee has the following duty:	

		"Evaluates and determines the non-audit work, if any, of the External Auditor, and periodically reviews the non-audit fees paid to the External Auditor in relation to the total fees paid and the corporation's overall consultancy expenses. The Audit Committee has the power to disallow any non-audit work that will conflict with the duties of an External Auditor or may pose a threat to his independence. Such non-audit work, if allowed, should be disclosed in the corporation's Annual Report and Annual Corporate Governance Report"	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	**COMPLIANT**	The Audit committee meets with the external audit team on a quarterly basis and as the need arises. Furthermore, in addition to the regular meetings, the Company and its external auditor maintain an open line of communication wherein the external auditor may be consulted for matters requiring their opinion and/or inputs.	
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.	**COMPLIANT**	The Audit Committee meets at least once a quarter for the preparation of the quarterly reports and a quarterly year-to-date performance evaluation.	

2. Audit Committee approves the appointment and removal of the internal auditor.	**COMPLIANT**	Please see page 21 to 24 of the attached Code of Corporate Governance.	
Recommendation 3.3			
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.	**NON-COMPLIANT**	Under the Code of Corporate Governance, it is the Nomination Committee that is tasked with overseeing the implementation of the Corporate Governance Framework. Please see page 26 of the RCG for the Nomination Committee's Corporate Governance functions.	The Company emphasizes that the functions performed by a committee are more important than the specific names assigned to that committee. In light of this, the Board determined that it would be in the best interest of the company to expand the functions of the Nomination Committee to include those typically associated with a corporate governance committee. Consequently, the role of the Nomination Committee extends beyond the selection of qualified individuals for key positions; it also encompasses ensuring adherence to good practices that the company should follow. The implementation of good corporate governance practices is also a responsibility of the Compliance Officer. Moreover, the Company seeks to avoid creating an excessive number of committees, as it believes this could result in unnecessary organizational complexity and potentially distract committee

			members from other crucial tasks. Therefore, the Company believes that the functions related to corporate governance can be combined or carried out by the Nominations Committee.
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	**NON-COMPLIANT**		As previously stated, the Company does not maintain a separate Corporate Governance Committee to oversee its corporate governance functions. Instead, these functions are integrated into the Nominations Committee, which receives support from the Compliance Officer.
3. Chairman of the Corporate Governance Committee is an independent director.	**NON-COMPLIANT**	The Chairperson of the committee that is tasked with the implementation of the Corporate Governance Framework of the Company is an Independent Director. Please see the Definitive Information Statement and Management Report.	As previously mentioned, the Nominations Committee serves as the committee responsible for overseeing the corporate governance of the Company. It is noteworthy that the Chairman of the Nominations Committee holds the position of an Independent Director.
Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.	**NON-COMPLIANT**		Given that the absence of a Corporate Governance Committee, and the Corporate Governance Functions assumed by the Nominations Committee, matters related to Corporate Governance as discussed during such meetings.
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be	**COMPLIANT**	Please refer to pages 28, of the RCG.	

responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.			
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	**COMPLIANT**	The members of the Risk Oversight Committee are: 1. Jose A Feria Jr.; 2. David Ng; and 3. William Ang. The first two (2) named above are independent directors.	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	**NON-COMPLIANT**	Jose A. Feria Jr. is also the Chairman of the Nominations Committee.	The Members of the aforementioned committees are not the same, and hence there are ample checks and balances in place to provide the necessary and desirable check and balances. Furthermore, the background of Jose A. Feria Jr. gives him an advantage in terms of appreciating and understanding risk.
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	**COMPLIANT**	For the qualifications of each member of the Risk Oversight Committee, please see the Definitive Information Statement and Management Report.	
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is	**NON-COMPLIANT**		The RPT function of the company is lodged in the Board itself. It is the body in the

tasked with reviewing all material related party transactions of the company.			corporation that studies and approves RPTs. This comes with the additional safeguard that Senior Management implements controls to monitor RPTs on a per transaction and aggregate basis; the Audit Committee reviews the effectiveness of the internal controls; and the Compliance Officer ensures that the aforementioned follow the relevant rules and regulations.
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	**NON-COMPLIANT**		
Recommendation 3.6			
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.	**COMPLIANT**	Please refer to the following pages of the RCG: 1. Audit Committee - Page 15 to 20 2. Nominations Committee – Pages 20 to 22 3. Remuneration Committee – Pages 22 to 23. d 4. Risk Oversight Committee – Page 21.	
2. Committee Charters provide standards for evaluating the performance of the Committees.	**COMPLIANT**	Please see pages 15 to 24 of the attached RCG.	

3. Committee Charters were fully disclosed on the company's website.	**COMPLIANT**	The duties and functions of each Committee are detailed and discussed in the Company's RCG available through the following link: https://lfmproperty.files.wordpress.com/2021/06/lpc-corporate-governance.pdf	
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			
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.	**COMPLIANT**	Directors and stockholders have the option to, respecrively, participate and attend Board Meetings, Committee Meetings, and Stockholders' Meetings. According to Republic Act 11232, for shareholders to have complete participation, including voting rights, in Board Meetings, this provision must be explicitly stated in the By-Laws. However, the Securities and Exchange Commission (SEC) has issued guidelines on holding shareholder meetings through remote communication. These guidelines were released on March 12, 2020, through SEC Memorandum Circular No. 6 Series of 2020. The SEC encourages corporations to enable stockholders to participate through	

		remote communication, even in a post-pandemic context	
2. The directors review meeting materials for all Board and Committee meetings.	**COMPLIANT**	Please refer to pages 10-11 of the RCG.	The materials for the Board meetings are given to the Board and committee members before each meeting.
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	**COMPLIANT**	Please refer to pages 10-11 and 37 and 39. Furthermore, it is among the duties of each director to dedicate time and attention to properly and effectively perform his/her duties as stated in the Code.	
Recommendation 4.2			
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.	**NON-COMPLIANt**		LPC does not have a policy that prohibits Directors from holding directorship positions in other companies. The company does not perceive the number of seats held by a director as a crucial factor affecting active participation. Additionally, LPC believes that the quantity of board positions held does not directly correlate with a director's ability to contribute to discussions and the company's success. In fact, the exposure to diverse industries can enhance a director's perspective, enabling their contributions to span across different disciplines.

			However, LPC places a greater emphasis on addressing Director conflicts of interest, as those are of greater concern to the company.
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	**COMPLIANT**	The Directors fully disclose to the Board the directorship position that they were offered the nature of the business of the offering corporation, and an analysis if this would lead to a possible conflict of interest.	
Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	**COMPLAINT**	Please see the Annual Report which contains the background of the various directors of the Company.	
2. Company schedules board of directors' meetings before the start of the financial year	**COMPLIANT**	The Board of Directors meet every last Wednesday of the month. This is in accordance with the By-Laws of the Company.	
3. Board of directors meet at least six times during the year.	**COMPLIANT**	The board meets at least 12 times a year. In the absence of any extra-ordinary circumstances, the Board religiously meets every last Wednesday of the month, and if such date cannot be kept,	

		the meeting is rescheduled to a later date.	
4. Company requires as minimum quorum of at least 2/3 for board decisions.	**NON-COMPLIANT**	The By-Laws of the Company provide that a majority of the Board is required to constitute a quorum and the majority of the quorum is necessary to decide on matters.	In the actual meeting of the Board, the actual attendance of the Bard Members comprises at least 2/3.
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs			
Recommendation 5.1			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	**NON-COMPLIANT**	Please Refer to the Securities Regulation Code.	The Company currently has two independent directors, which constitutes at least 20% of the board size.
Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	**COMPLIANT**	This will be contained in the Certificate of Independence of the Independent Directors. This will be made available in the Company's Information Statement that will be provided further to the Annual Stockholders' Meeting to be held on July 26, 2023.	
Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	**COMPLIANT**	There are no such agreements and constraints.	

Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	**COMPLIANT**	The Company was listed on November 2022, as such the 9 year term for independent directors has not lapsed.	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	**COMPLIANT**	The Company was listed on November 2022, as such the 9 year term for independent directors has not lapsed.	
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.	**COMPLIANT**	Please refer to page 19 of the attached Code of Corporate Governance.	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	**COMPLIANT**	The Chairman of the Company is William Carlos Uy, while the President is Jose S. Jalandoni.	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	**COMPLIANT**	Please refer to RCG pages 9 to 10 for the responsibilities of the Chairman, and pages 34 to 35 for the responsibilities of the President.	
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a	**COMPLAINT**	Please refer to page 14 of the RCG which states:	

lead director among the independent directors.		"In *the event that the Chairman of the Board is not independent or the position of Chairman and President are held by the same person, the Board shall designate a Lead Independent Director.*"	
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	**COMPLAINT**	Please refer to page 11 of the RCG which provides: *"If a Director has a material interest in the transaction brought for the evaluation and approval of the Board, such director shall abstain from taking part in the deliberations and approval of such transaction".*	
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**	There are no separate board meetings for the NEDs.	The Company believes that there is no substantial business advantage that would be attained by having the NEDs meet separately with the external auditors, heads of internal audit, and the compliance and risk personnel of the Company. The operational principles of the Company is that all directors should work together. Furthermore, it has been the practice of the Company that its executives are subject
2. The meetings are chaired by the lead independent director.	**NON-COMPLIANT**		

			to questioning and reporting every board meeting, or at the initiative of a director.
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.	**COMPLIANT**	The Chairman of the Board is the William Uy, while the President is Jose S. Jalandoni.	
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**	The Board, its individual members, and the respective committees make quarterly assessments to determine if the targets are met, and there is also discussion on what strategies should be taken to meet targets, and also if the implemented strategies are effective in helping the Company reach their targets.	
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.	**NON-COMPLIANT**		The Company does not see value or need to have assessments supported by an external facilitator. Especially that austerity is an important value given the circumstances that the Company is currently doing business in.

			Furthermore, the Company has decided that in budgeting matters relating to external facilitators, these are better spent on those that relate directly to the Company's operations.
Recommendation 6.2			
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.	**COMPLIANT**	Please refer to pages 2 and 4-6 of the RCG the criteria for the Board and each individual director; and pages 15 to 24 for those of the committees.	
2. The system allows for a feedback mechanism from the shareholders.	**COMPLIANT**	The Company adopts an open-door policy where all shareholders are free to reach management. These are contained in the pages 44 to 46 of the RCG.	
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			
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.	**COMPLIANT**	Please refer to pages 36 to 39 of the RCG.	
2. The Code is properly disseminated to the Board, senior management and employees.	**COMPLIANT**	An updated copy is disseminated to the Board. Furthermore, the submission of this report and the Manual of Corporate Governance is discussed in the Board	

		meeting immediately preceding the deadline for the submission of this report.	
3. The Code is disclosed and made available to the public through the company website.	**COMPLIANT**	Copies of the updated Code is made available through the PSE Edge and distributed during the Annual Shareholder's Meeting. This may also be found on the website through the following link: **Code of Corporate Governance:** https://lfmproperty.files.wordpress.com/2021/06/lpc-corporate-governance.pdf	
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**	Please see pages 36-37. This provides the following: *"LPC adopts a zero-tolerance policy for acts of bribery and corruption. Consequently, all Directors, officers, and all employees shall adopt the following:* *1. Directors, officers, management, and all employees shall not offer, promise, or imply any bribes of to any public officer or official in consideration of "facilitating" any transaction, even if*	

		such is made through another person; and *2. Directors, officers, management, and all employees shall not accept any bribe or promise of such from any person or organization in consideration for the performance or abstention of an act, the grant of preference or favor, the exertion or influence, and other similar acts, whether such be legal or illegal.* *For the purposes of this policy the term "Bribe" means anything of value which shall inure to the material or reputational advantage of the recipient made not in the ordinary course of business.* *This policy shall strictly be observed by all Directors, officers, and employees of the company in all their dealings with the Philippine Government or the government of any nation, customers, suppliers, creditors, debtors, and other business partners.* *Violations of this Policy shall be penalized with a one (1) year suspension without pay or outright termination and dismissal from LPC, depending on the degree of the offense, without prejudice to the filing of*	

		the relevant criminal and/or administrative charges".	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	**PARTIALLY-COMPLIANT**	Please see Page 34 of the RCG which provides that among the functions of the internal audit is to ensure that the directors review the compliance with polices. This portion states: "*The internal controls are reviewed annually by the Directors, where they study whether the internal controls have fulfilled their functions to ensure the following: (i) reliability and integrity of financial and operational information; (ii) the effectiveness and efficiency of operation (iii) the safeguarding of assets; (iv) the compliance with policies, plans, procedures, laws, regulations and contracts; and (v) the accomplishment of established objectives and goals for operations or programs.*" Furthermore the Internal Auditor is tasked with: "*providing an unbiased critique of the risk assessment process, corporate governance compliance, and internal controls of LPC*" (RCG, Page 35).	There are no set and definitive procedures and/or guidelines when it comes to ensuing the efficient implementation of the Code of Business Conduct and Ethics. However, there are controls within the company, such as Board responsibility to review internal controls, as well as the functions of the internal auditor. The Company believes that these safeguards are sufficient to ensure compliance with this Code. Furthermore, the Company wants to avoid creating too much accessory responsibilities for management and the Board. It firmly believes that adding a plethora of additional functions, in addition to the current responsibilities, would create an unnecessary burden that could hamper effectivity.
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	**PARTIALLY-COMPLIANT**		
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			
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.	**COMPLIANT**	Please refer to pages 29 to 30 and 44 to 46 of the RCG. Additionally, the Company discloses to the on the Philippine Stock Exchange all relevant information that would be considered as material information. The Company's disclosures are available on the PSE Edge. **The Company's Disclosures** are available at: https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=698	
Supplement to Recommendations 8.1			
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.	**COMPLIANT**	The audited financial reports are made available upon the disclosure of the Annual Report of the Company though the PSE Edge and these are likewise given before the Annual Shareholder's Meeting. The **Annual Report** is available through the following:	The company intends to stop providing physical copies of the reports to stockholders, rather this will be made available through the company website and via QR codes which would link the shareholders to the relevant reports. This will be implemented to further the sustainability objectives of the Company.

		https://edge.pse.com.ph/openDiscViewer.do?edge_no=b7ab4446c6c699149e4dc6f6c9b65995	
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.	**COMPLIANT**	Please refer to the Annual Report. The **Annual Report** is available through the following: https://edge.pse.com.ph/openDiscViewer.do?edge_no=b7ab4446c6c699149e4dc6f6c9b65995	
Recommendation 8.2			
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.	**NON-COMPLIANT**	The Company does not have a specific policy requiring the directors and officers to disclose any dealing with the company's shares within three business days.	The Company adopts the rules and regulations contained in the Securities Regulation Code, the Implementing Rules and Regulations of the Securities Regulation Code, and the Listing and Disclosure Rules of the Philippine Stock Exchange.
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three (3) business days.	**NON-COMPLIANT**		
Supplement to Recommendation 8.2			
1. 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	**COMPLIANT**	Please refer to the PSE Disclosures through the following: **Company Disclosures of LFM Properties Corporation** are available at:	

its shares from the market (e.g. share buy-back program).		https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=227 However, for the fiscal year of 2022 there have been no share buy backs by LPC.	
Recommendation 8.3			
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.	**COMPLIANT**	Please see Annual Report for the disclosures on the relevant and material information on the Directors. The **Annual Report** is available through the following: https://edge.pse.com.ph/openDiscViewer.do?edge_no=b7ab4446c6c699149e4dc6f6c9b65995	
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.	**COMPLIANT**	In the event that there is a material event, this will be disclosed on the PSE Edge, in compliance with listing and disclosure rules. **Company Disclosures of LFM Properties Corporation** are available at: https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=698	
Recommendation 8.4			

1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	**COMPLIANT**	Please refer to page 27 RCG which states the remuneration philosophy of the Company.	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	**COMPLIANT**	Please refer to page 27 RCG which states the remuneration philosophy of the Company. Furthermore, the specifics of the executive remunerationare detaile din the Annual Report, which may be accessed through the following link: https://edge.pse.com.ph/openDiscViewer.do?edge_no=b7ab4446c6c699149e4dc6f6c9b65995	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	**NON-COMPLIANT**	Please see the Annual Report of LPC where the remuneration of the Board and Senior Management are provided. The **Annual Report** is available through the following: https://edge.pse.com.ph/openDiscViewer.do?edge_no=b7ab4446c6c699149e4dc6f6c9b65995	For the safety of the Directors and Officers, in the statement of the remuneration, the sums paid for the relevant officers are summed together and are not individually provided.
Recommendation 8.5			

1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	**NON-COMPLIANT**	Given that the company was listed in November of 2022, it is still in the process of adopting and finalizing a MRPT Policy.	
2. Company discloses material or significant RPTs reviewed and approved during the year.	**COMPLIANT**	Please see the Annual Report, The **Annual Report** is available through the following: https://edge.pse.com.ph/openDiscViewer.do?edge_no=b7ab4446c6c699149e4dc6f6c9b65995	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	**COMPLIANT**	The Directors are required to give notice to the Board regarding any possible interest in a transaction or any possible conflict of interest. Such disclosure is then subject to further discussions during board meetings	
Optional : Recommendation 8.5			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	**COMPLIANT**	Please refer to the Annual Report previously filed with this Commission and made available through the PSE Edge. The **Annual Report** is available through the following:	

		https://edge.pse.com.ph/openDiscViewer.do?edge_no=b7ab4446c6c699149e4dc6f6c9b65995	
Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	**COMPLIANT**	Please refer to the company disclosures on the PSE Edge. **Company Disclosures of LFM Properties Corporation** are available at: https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=227	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	**COMPLIANT**	The Board ensures that due diligence is conducted before entering into transactions. If the need arises, the Board also hires appraisers to ensure that valuation that the Company gives or is given for assets are beneficial to the Company.	
Supplement to Recommendation 8.6			
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,	**COMPLIANT**	Please refer to the company disclosures on the PSE Edge. For the year 2022, there were no shareholder agreements, voting trust agreements, confidentiality agreements	

ownership, and strategic direction of the company.		of a nature that may impact control, ownership, and strategic direction of LPC.	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	**COMPLIANT**	The Manual of Corporate Governance is made available through the following link: **Manual of Corporate Governance:** https://lfmproperty.files.wordpress.com/2021/06/lpc-corporate-governance.pdf	
2. Company's MCG is submitted to the SEC and PSE.	**COMPLIANT**		
3. Company's MCG is posted on its company website.	**COMPLIANT**		
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	**COMPLIANT**	Please refer to the disclosures made on the PSE Edge. However, for the previous year, there were no changes that were made to the Code of Corporate Governance of the Company.	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:		Please refer to the Annual Report previously filed with the Commission and made available through the PSE Edge. The **Annual Report** is available through the following:	
a. Corporate Objectives	**COMPLIANT**		
b. Financial performance indicators	**COMPLIANT**		

c. Non-financial performance indicators	**COMPLIANT**	https://edge.pse.com.ph/openDiscViewer.do?edge_no=b7ab4446c6c699149e4dc6f6c9b65995	
d. Dividend Policy	**COMPLIANT**		
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	**COMPLIANT**		
f. Attendance details of each director in all directors meetings held during the year	**NON-COMPLIANT**		This was not stated in the 2022 Annual Report, however, this will be provided in the Information Statements tp be provided further to the Annual Stockholders' Meeting to be held on July 26, 2023.
g. Total remuneration of each member of the board of directors	**NON-COMPLIANT**		For the security of the Directors, their individual remuneration is not provided, rather what is provided is their remuneration as a group.
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**	Please refer to pages 23-26 of the RCG, and the Annual Report filed with this Commission and disclosed on the PSE EDGE. The **Annual Report** is available through the following:	

		https://edge.pse.com.ph/openDiscViewer.do?edge_no=b7ab4446c6c699149e4dc6f6c9b65995	
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**	Please refer to pages 23-26 of the RCG, and the Annual Report filed with this Commission and disclosed on the PSE Edge. The **Annual Report** is available through the following: https://edge.pse.com.ph/openDiscViewer.do?edge_no=b7ab4446c6c699149e4dc6f6c9b65995	
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.	**NON-COMPLIANT**	Please refer to pages 21-26 of the RCG, and the Annual Report filed with this Commission and disclosed on the PSE Edge. The **Annual Report** is available through the following: https://edge.pse.com.ph/openDiscViewer.do?edge_no=b7ab4446c6c699149e4dc6f6c9b65995	There is no statement in the Annual Report that provides a statement on the adequacy of the internal control systems and risk management systems. However, despite the absence of such statements; these are still within the purview of the Audit Committee. Please note among the functions of the Audit Committed is to oversee the Internal Audit Department which is responsible for the following: "*monitors and evaluates the adequacy and effectiveness of the corporation's internal control system, integrity of financial reporting, and security*

			of physical and information assets. Well-designed internal control procedures and processes that will provide a system of checks and balances should be in place in order to: (a) safeguard the company's resources and ensure their effective utilization, (b) prevent occurrence of fraud and other irregularities, (c) protect the accuracy and reliability of the company's financial data, and (d) ensure compliance with applicable laws and regulations".
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).	**COMPLIANT**	Please refer to the Annual Report filed with this Commission and disclosed on the PSE Edge. The **Annual Report** is available through the following: https://edge.pse.com.ph/openDiscViewer.do?edge_no=b7ab4446c6c699149e4dc6f6c9b65995	
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			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	**COMPLIANT**	Please refer to pages 15 to 18 of the RCG. Among the functions of the Audit Committee is to exercise oversight over	

		the External Auditor. This includes the following: 1. Assess the integrity and independence of the external auditor; 2. Perform oversight functions over the Company's internal and external auditors. It should ensure that the internal and external auditors are given unrestricted access to all records, properties, and personnel to enable them to perform their respective audit functions; 3. Exercise, effective oversight to review and monitor the effectiveness of the audit process; 4. Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts; 5. Organize an internal audit department, and consider the appointment of an independent	

		internal auditor and the terms and conditions of its engagement and removal; 6. Review the reports submitted by the internal and external auditors; and 7. Review the quarterly, half-year and annual financial statements before their submission to the Board.	
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.	**COMPLIANT**	The shareholders voted in favor and ratified the reappointment of SyCip Gorrres Velayo and Co. as the Company's external auditors.	
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.	**COMPLIANT**	There has been no removal or replacement of the external auditor in the last three years. If the external auditor is replaced, the Company will comply with SEC MC No. 8, Series of 2013.	
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	**COMPLIANT**	Please refer to Page 35 of the RCG which provides: *"An external auditor may only serve as such for a period of five (5) consecutive years. The Board, at its discretion, may*	

		allow an external auditor to serve for a period of more than five (5) years, subject to the condition that the handling partner be replaced."	
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: 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.	**COMPLIANT**	Please see pages 16 to 18 of the RCG.	
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	**COMPLIANT**	Please see pages 16 to 18 of the RCG.	
Supplement to Recommendations 9.2			
1. Audit Committee ensures that the external auditor is credible, competent and has the	**COMPLIANT**	Please see pages 16 to 18 of the RCG.	Furthermore, the Company, in practice, secures the services of one of the top 5

ability to understand complex related party transactions, its counterparties, and valuations of such transactions.			auditing firms in the country. Currently, the External Auditor is SyCip Gorrez Velayo & Co.
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	**COMPLIANT**	Please see pages 16 to 18 of the RCG.	
Recommendation 9.3			
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.	**COMPLIANT**	There have been no non-audited services rendered by the Company's current external auditor.	
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.	**COMPLIANT**	There have been no non-audited services rendered by the Company's current external auditor.	
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	**COMPLIANT**	The details of such shall be disclosed in the Definitive Information Statement which will be filed with the Commission before the July 26, 2023 annual meeting.	
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	**COMPLIANT**	SyCip Gorres Velayo and Co. Sec Accreditation No. 1700-A 18 August 2018 – 15 August 2021	

		6760 Ayala Avenue, Makati City (632) 8910307	
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).	**COMPLIANT**		
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
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.	**COMPLIANT**	Please refer to the Sustainability Report annexed to the Annual Report previously submitted to the Commission, disclosed and made available through the PSE Edge, and uploaded to the Company Website. The **Annual Report** is available through the following: https://edge.pse.com.ph/openDiscViewer.do?edge_no=b7ab4446c6c699149e4dc6f6c9b65995	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	**COMPLIANT**	The company included in its Annual Report the Sustainability Report required by SEC Memorandum Circular No. 4 Series of 2019.	

		Please see the Sustainability Report annexed to the annual report. The **Annual Report** is available through the following: https://edge.pse.com.ph/openDiscViewer.do?edge_no=b7ab4446c6c699149e4dc6f6c9b65995	
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			
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.	**COMPLIANT**	Please refer to the disclosures made through the PSE Edge and the company website. **Company Disclosures of LFM Properties Corporation** are available at: https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=698 The company website may be accessed at: https://lfmproperty.wordpress.com/	
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:		The company website may be accessed at: https://lfmproperty.wordpress.com/	

a. Financial statements/reports (latest quarterly)	**COMPLIANT**	**Financial statements/reports (latest quarterly)** available at: https://lfmproperty.wordpress.com/blog/ **Materials provided in briefings to analysts and media** https://lfmproperty.wordpress.com/press-materials-news/	
b. Materials provided in briefings to analysts and media	**COMPLIANT**		
c. Downloadable annual report	**NON-COMPLIANT**		The Company is still in the process of updating its website to comply with the requirements of publicly listed companies, given that it was just listed on November 2022.
d. Notice of ASM and/or SSM	**NON-COMPLIANT**		Please note that the Company's first Annual Meeting as a public Company will be this July 26, 2023. As such, the 2023 meeting will be the first opportunity to post such.
e. Minutes of ASM and/or SSM	**NON-COMPLIANT**		Please note that the Company's first Annual Meeting as a public Company will be this July 26, 2023. As such, the 2023 meeting will be the first opportunity to post such.
f. Company's Articles of Incorporation and By-Laws	**NON-COMPLIANT**		The Company is still in the process of updating its website to comply with the requirements of publicly listed companies, given that it was just listed on November 2022.
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	**NON-COMPLIANT**	The company website may be accessed at: https://lfmproperty.wordpress.com/	The Company is still in the process of updating its website to comply with the requirements of publicly listed companies,

			given that it was just listed on November 2022.
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			
1. Company has an adequate and effective internal control system in the conduct of its business.	**COMPLIANT**	Please refer to pages 33-35 of the RCG.	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	**COMPLIANT**	Please refer to pages 30 to 32 of the RCG which detail the major risks of the Corporation and how these are addressed.	
Supplement to Recommendations 12.1			
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.	**NON-COMPLIANT**		The Company does not have a formal and comprehensive training covering compliance with law and regulations. However, the Company does not believe that this not prejudices the Corporate Governance Practice of the Company. However, in practice, employees are given access to external counsel for them to clear and seek advise on the legal matters.
Optional: Recommendation 12.1			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key	**COMPLIANT**	An IT personnel is assigned to ensure that all online and electronic usage are protected and that the integrity of the	

risks are identified, managed and reported to the board.		same is intact. These services are contracted to a third party given the lack of organic expertise on the matter.	
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**	The internal audit is done in-house.	
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	**COMPLIANT**	Please refer to pages 19 and 25 which appoints a Chief Auditor and an Internal Auditor. Their functions are as follows: Chief Auditor: 1. Periodically reviews the internal audit plan and presents it to senior management and Audit Committee for approval; 2. Establishes a risk-based internal audit plan, including policies and procedures to determine the priorities of the internal audit activity, consistent with the organization's goals;	

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**	3. Communicates the internal audit activity's plans, resource requirements and impact of resource limitations as well as significant interim changes to senior management and the Audit Committee for review and approval; 4. Spearheads the performance of the internal audit activities' performance relative to its plan; and 5. Reports periodically to the Audit Committee and gives advice to the senior management and the Board on how to improve internal processes. <u>Internal Auditor</u> 1. Provides an independent risk-based assurance service to the Board, Audit Committee and Management, focusing on reviewing the effectiveness of governance and control processes in (i) promoting the right values and ethics; (ii) ensuring effective performance management and accounting in the organization;	

		(iii) communicating risk and control information; (iv) coordinating the activities and information among the Board, external and internal auditors, and Management; 2. Performs regular and special audit as contained in the audit plan; 3. Performs consulting and advisory services related to governance and control as appropriate for the organization; 4. Performs compliance audit of relevant laws, rules and regulations, contractual obligations and other commitments, which could have a significant impact on the organization; 5. Reviews, audits and assesses the efficiency and effectiveness of the internal control system of all areas of the company;	

		6. Evaluates specific operations at the request of the Board or Management, as appropriate; and 7. Monitors and evaluates governance processes.	
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.	**COMPLIANT**	Please see pages 19 to 20 of the RCG. However, the internal audit of the company is done in-house. If this function is outsourced, there are measures in place to ensure that this is complied with.	
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	**COMPLIANT**	Please see pages 25 to 30 of the RCG. This portion of the RCG deals with the establishment of a Risk Oversight Committee as well as the Risk Management Systems of the Corporation.	
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	**COMPLIANT**	Generally, the initial appreciation and understanding of risk is carried out by the Risk Oversight Committee according to the Risk Management System and Framework of the Corporation. These	

		may be found in pages 21 to 26 of the RCG.	
Recommendation 12.5			
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).	**NON-COMPLIANT**	Beginning the 2019 fiscal year, as a measure to avoid being top heavy, the Company has not appointed a Chief Risk Officer.	Instead of appointing a chief risk officer, the Company chose to make the Risk Oversight Committee carry more responsibilities, and pass on certain risk functions to other senior vice presidents of LPC.
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	**NON-COMPLIANT**		
Additional Recommendation to Principle 12			
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.	**COMPLIANT**	These may be seen in the Statement of Management's Responsibility for the Financial Statements that are submitted yearly with the audited financial statements, annual report, and definitive information statement of the Company.	
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			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	**COMPLIANT**	Please refer to pages 36-38 of the attached RCG.	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	**NON-COMPLIANT**		As previously mentioned, the Company is in the process of updating and modifying its website. Given that it was publicly listed

			last November 2022, it is still in the process of updating its website.
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	**COMPLIANT**	Under the By-Laws of the Corporation there is no explicit statement that one share is entitled to one vote. However this can be inferred from: (a) the lack of any statement that there is a class of shares that carries more than one vote per share; and (b) references to voting matters refer to securing the majority or 2/3rds of shareholders.	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	**COMPLIANT**	Please refer to pages 42 to 43 of the attached RCG.	
3. Board has an effective, secure, and efficient voting system.	**COMPLIANT**	Please refer to pages 42 to 43 of the attached RCG.	
4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	**NON-COMPLIANT**		There are no such mecahnisms in place. Rather, The Company complies with and follows the voting percentages required by law or relevant regulations.
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.	**COMPLIANT**	The shareholders are allowed to call a meeting an accordance with the company's by-laws. Additionally, this	

		right is provided to them by the Revised Corporation Code.	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	**COMPLIANT**	Please refer to pages 42 to 43 of the attached RCG.	
7. Company has a transparent and specific dividend policy.	**NON-COMPLIANT**	The Company currently does not have a specific dividend policy guaranteeing the declaration of yearly dividends. Furthermore, the prospectus filed with this Honorable Commission states: *"The Company's By-laws provide that dividends shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property or stock to all stockholders on the basis of outstanding stock held by them, as often and at such times as the Company's Board of Directors may determine and in accordance with law and applicable rules and regulations.* *x x x* *[T]he Company, however, cannot assure the public that it will pay any dividends in the future."*	

Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	**NON-COMPLIANT**	For the counting and verification of votes during the annual shareholders meeting, this is done by the Corporate Secretary, or in his or her absence by the assistant corporate secretary.	The company believes that this does not have an effect on the checks and balances in the manner of voting, nor does it mean that meetings are conducted without integrity and with partiality. The Corporate Secretary and/or the Assistant Corporate secretary is tasked with the tabulation and verification of the votes since they are the custodians of the corporate records.
Recommendation 13.2			
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.	**COMPLIANT**	The agenda is made available to the public and shareholders though the PSE Edge and the release of the Definitive Information Statement.	
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:		The 2023 Annual Stockholders' Meeting is the first Stockholders' Meeting of LPC as a listed company; as such these will be complied with in the disclosures made further to this meeting. The Preliminary Information Statement is due on June 21, 2023.	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	**N/A**		

b. Auditors seeking appointment/re-appointment	**N/A**		
c. Proxy documents	**N/A**		
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	**N/A**	Please refer to the Information The 2023 Annual Stockholders' Meeting is the first Stockholders' Meeting of LPC as a listed company; as such these will be complied with in the disclosures made further to this meeting. The Preliminary Information Statement is due on June 21, 2023.	
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.	**N/A**	The 2023 Annual Stockholders' Meeting is the first Stockholders' Meeting of LPC as a listed company. As such this will be implemented for the Company's Annual Meeting to be held on July 26, 2023.	
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.	N/A	The 2023 Annual Stockholders' Meeting is the first Stockholders' Meeting of LPC as a listed company. As such this will be implemented for the Company's Annual Meeting to be held on July 26, 2023.	
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.	**N/A**	The 2023 Annual Stockholders' Meeting is the first Stockholders' Meeting of LPC as a listed company. As such this will be implemented for the Company's Annual Meeting to be held on July 26, 2023.	
Recommendation 13.4			
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.	**NON-COMPLIANT**	The Corporation does not have an alternate dispute mechanism administered by the Corporation to resolve intra-corporate matters.	The Corporation believes that it is does not possess the necessary knowledge or expertise to facilitate and engage in formal dispute resolution. The proper parties to carry on these acts are those that are appropriately authorized and qualified by laws or regulations. However, while a formal body is absent, the Corporation endeavors to act as a mediator and prefers amicable settlement to afford peace within the company and to be less of a burden to the judicial and quasi-judicial bodies of the government.
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	**NON-COMPLIANT**		
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	**NON-COMPLIANT**	The Company makes the Chairman and President available to the public for any questions, comments, or suggestions, further displaying the direct line which he can be contacted at. William Carlos Uy or Jose S. Jalandoni (632) 88937790	The Company believes that it is not necessary to establish an Investor Relations Office to sufficiently and competently answer shareholder concerns and to engage with them. The Company adopt a policy of open communication with top management.

2. IRO is present at every shareholder's meeting.	**NON-COMPLIANT**	As mentioned above, the Company does not have an IRO, rather it adopts an open door policy.	Further to the open door policy, the stockholders are free to engage with the Chairman, President, and other corporate officers during the Annual Meeting and other stockholder meetings.
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group.	**NON-COMPLIANT**	There is no specific policy against such however, in practice, shareholders are given the opportunity to recommend to the Corporation persons who they wish to be nominees to the Board of Directors. The Board of Directors, in turn, is the entity that appoints senior management.	The Company does not have nor implement an anti-takeover measures. Given its nature as a listed company, parties are free to purchase their shares from the market, and there are safeguards provided by the Securities Regulation Code mandating compliance with requirements in the event of a corporate takeover (such as the tender offer requirements).
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	**COMPLIANT**	Please see the relevant Public Ownership Report disclosures on the PSE Edge which show that the public float is 24.49%. The latest **Public Ownership Report** for the 2022 Compliance Period may be found through the following link: https://edge.pse.com.ph/openDiscViewer.do?edge_no=21728c2cbae8c9429e4dc6f6c9b65995	As mentioned above, LPC was listed on November 2022 whch such listing being by way of introduction. As such, there ha been no significant opportunity for the shares of the Company to be purchased by the public which would result in an increase in the Pubic Float.
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the	**COMPLIANT**	Please refer to pages 36-38 of the RCG.	

company beyond the Annual Stockholders' Meeting		Furthermore, the Company always makes at least one (1) director available in addition to its officers to communicate and respond to any query that any shareholder may have.	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	**COMPLIANT**	Currently, the Company has not adopted any electronic voting mechanism. Votes are either cast in person or by proxy.	
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			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	**COMPLIANT**	Please refer to pages 38-41 of the attached RCG.	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	**COMPLIANT**	Please refer to pages 38-41 of the attached RCG.	
Recommendation 14.3			
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.	**COMPLIANT**	Please refer to pages 38-41 of the attached RCG.	

Supplement to Recommendation 14.3			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	**NON-COMPLIANT**	The Corporation does not have an alternate dispute mechanism administered by the Corporation to resolve differences with key stakeholders. However, the Corporation, as a rule, will always resort to Alternative Dispute Resolution.	The Corporation believes that it is does not possess the necessary knowledge or expertise to facilitate and engage in formal dispute resolution. The proper parties to carry on these acts are those that are appropriately authorized and qualified by laws or regulations. However, while a formal body is absent, the Corporation endeavors to act as a mediator and prefers amicable settlement to afford peace within the company and to be less of a burden to the judicial and quasi-judicial bodies of the government.
Additional Recommendations to Principle 14			
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.	**COMPLIANT**	The Company has not sought exemption and remains compliant with the relevant laws, rules, and regulations.	
2. Company respects intellectual property rights.	**COMPLIANT**	The Company ensures that it, always, remains mindful of ensuring compliance with intellectual property rights of third parties.	
Optional: Principle 14			

1. Company discloses its policies and practices that address customers' welfare	**COMPLIANT**	Please see pages 38-39 of the RCG.	
2. Company discloses its policies and practices that address supplier/contractor selection procedures	**COMPLIANT**	Please see pages 39 of the RCG.	
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			
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.	**COMPLIANT**	Please refer to pages 40-41 of the attached Code of Corporate Governance.	
Supplement to Recommendation 15.1			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	**COMPLIANT**	Please refer to pages 40-41 of the attached Code of Corporate Governance.	
2. Company has policies and practices on health, safety and welfare of its employees.	**COMPLIANT**	Please refer to pages 40-41 of the attached Code of Corporate Governance.	
3. Company has policies and practices on training and development of its employees.	**COMPLIANT**	Please refer to pages 40-41 of the attached Code of Corporate Governance.	
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an	**COMPLIANT**	Please refer to page 31 of the RCG where LPC adopts a *zero-tolerance policy* for acts of bribery and corruption	

anti-corruption policy and program in its Code of Conduct.			
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	**COMPLIANT**	Generally, the means of dissemination of company policies and programs is through the release official internal memos to different departments of the Company. However, if a more in-depth discussion is needed, the relevant Directors and officers meet with the concerned departments.	
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	**COMPLIANT**	Please refer to the Anti-Corruption Policy, found in page 32 of the RCG, which states: "Violations *of this Policy shall be penalized with a one (1) year suspension without pay or outright termination and dismissal from LPC, without prejudice to the filing of the relevant criminal and/or administrative charges*."	
Recommendation 15.3			
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	**COMPLIANT**	Please refer to page 33 of the RCG which provides the *Whistleblowing Policy* or the Corporation.	

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.	**COMPLIANT**	In sum this policy any whistleblower may submit a written report to the Compliance Officer or the Lead Independent Director of any alleged grievance. The whistleblower may also request for a face-to-face meeting with the Compliance Officer, Lead Independent Director, Audit Committee or Head Internal Auditor, at the whistleblower's comfort and preference. Every report shall be acted promptly and expediently and in no case, unless the circumstances justify, shall any report be immediately discarded without the conduct of an investigation leading to a satisfactory conclusion that the acts being alleged did not take place. Furthermore, all reports made, and face-to-face meetings conducted shall be treated with the strictest confidence, and no disclosure shall be made except when deemed necessary by the Lead Independent Director.	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	**COMPLIANT**		
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			
1. Company recognizes and places importance on the interdependence between business	**COMPLIANT**	Please see the Annual Report submitted to the Commission; and disclosed and	

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.		made available through the PSE Edge and company website.	
Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	**COMPLIANT**	Please see the Annual Report submitted to the Commission; and disclosed and made available through the PSE Edge and company website. The **Annual Report** is available through the following:	
2. Company exerts effort to interact positively with the communities in which it operates	**COMPLIANT**	Please see the Annual Report submitted to the Commission; and disclosed and made available through the PSE Edge and company website. The **Annual Report** is available through the following: https://edge.pse.com.ph/openDiscViewer.do?edge_no=b7ab4446c6c699149e4dc6f6c9b65995	

WILLIAM CARLOS UY
Chairman

JOSE S. JALANDONI
President

JOSE A. FERIA, JR.
Independent Director

DAVID NG
Independent Director

ANNA ISABEL CHAN
Compliance Officer

MA. ADELINA S. GATDULA
Corporate Secretary

THIS DOCUMENT was personally subscribed and sworn to by the affiant before me this 24 MAY 2023 day of May 2023 in Makati City. Affiant, who are personally known to me, avowed under penalty of law to the whole truth of the contents of the foregoing document and exhibited the following evidence of identity:

NAME	Identification Document Presented
WILLIAM CARLOS UY	TIN 123-282-691
JOSE S. JALANDONI	TIN 134-319-308
JOSE A. FERIA, JR.	TIN 107-793-449
DAVID NG	TIN 119-867-317
ANNA ISABEL CHAN	TIN 741-793-525
MA. ADELINA S. GATDULA	TIN 107-043-114

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Series of 2023.

NOTARY PUBLIC

MICHAEL JOHN A. TANTOCO, JR.
Notary Public for Makati City
Appointment No. M-339
Until December 31, 2023
Roll Number 71560
IBP No. 266444-1.4.23 -PPLM
PTR No. 9566235-1.3.2023- Makati
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