

SEC FORM - I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended 2018
2. SEC Identification Number 13174 3. BIR Tax Identification No. 000-108-278-000
4. Exact name of issuer as specified in its charter **LEISURE & RESORTS WORLD CORPORATION**
5. Makati, Metro Manila
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. 26F West Tower Philippine Stock Exchange Center, Exchange Road, Ortigas, Pasig City 1605
Address of principal office Postal Code
8. (632) 634-5099
Issuer's telephone number, including area code
9. N/A
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

**COMPLIANT/
NON-
COMPLIANT**

ADDITIONAL INFORMATION

EXPLANATION

The Board's Governance Responsibilities

Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.

Recommendation 1.1

1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	Provide information or link/reference to a document containing information on the following:	Information statement, Annual Report and website
2. Board has an appropriate mix of competence and expertise.	Compliant	1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors	Information statement, Annual Report and website
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant	2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance	Information statement, Annual Report and website

Recommendation 1.2

1. Board is composed of a majority of non-executive directors.	Compliant	Identify or provide link/reference to a document identifying the directors and the type of their directorships	Information statement, Annual Report and website
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Recommendation 1.3

1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.	New Manual on Corporate Governance
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2. Company has an orientation program for first time directors.	Compliant	Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.	New Manual on Corporate Governance While the Company has a formal Board in place, it is still in the process of establishing a suitable and formal director development program. However, immediately after the election of a new Director and prior to the first regular or special meeting of the Board, management provides the newly elected Director with a background on the corporate profile, list of subsidiaries and businesses, financial statements and audit reports to familiarize himself/herself about the Company, its business, its corporate structure and performance and any other documents or information which may be requested by the newly elected Director. New Manual on Corporate Governance
3. Company has relevant annual continuing training for all directors.	Compliant		The Company schedules in-house seminar/training on corporate governance at least once a year for directors and officers, however last year there was no in-house seminar held due to busy schedules of most of the directors. Some directors were able to attend publicly-held seminar on corporate governance and provided the Company with copy of certificates.

Recommendation 1.4

1. Board has a policy on board diversity.	Compliant	Provide information on link/reference to a document containing information on the company's board diversity policy.	New Manual on Corporate Governance 10 Male directors and 1 Female Director
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	Provide information on link/reference to a document containing the company's policy and measurable objectives for implementing board diversity. Provide link or reference to a progress report in achieving its objectives.	New Manual on Corporate Governance
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	Provide information on link/reference to a document	Information statement, Annual Report and website
2. Corporate Secretary is a separate individual from the Compliance Officer.	Non-Compliant	containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.	The Acting Corporate Secretary and Acting Compliance Officer are held by the same person.
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		Information statement, Annual Report and website

4. Corporate Secretary attends training/s on corporate governance.	Compliant	Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered	The Company had planned to conduct an in-house training/seminar on last quarter of 2018 for all directors and officers but due to busy schedules of most of them, it was decided that this will be done in third quarter of 2019 and will be followed on the succeeding years. Some of the directors were able to attend Corporate Governance seminar and furnished the Company copy of certificates. The newly appointed Acting Corporate Secretary will also attend the planned in-house training/seminar.
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	Compliant	Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting	The Corporate Secretary sends notice and materials through emails to all directors a week before the board meeting.
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.	Information statement, Annual Report and website
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant		Information statement, Annual Report and website
3. Compliance Officer is not a member of the board.	Compliant		The Compliance Officer has a rank of Vice President. However, last December 21, 2018, the Compliance Officer resigned. The Head of Legal with the rank of Assistant Vice President was appointed as Acting Compliance Officer until a permanent one is appointed. Information statement, Annual Report and website

4. Compliance Officer attends training/s on corporate governance.	Compliant	Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered	The Company had planned to conduct an in-house training/seminar on last quarter of 2018 for all directors and officers but due to busy schedules of most of them, it was decided that this will be done in third quarter of 2019 and will be followed on the succeeding years. Some of the directors were able to attend Corporate Governance seminar and furnished the Company copy of certificates. The newly appointed Acting Compliance Officer will also attend the planned in-house training/seminar.
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	Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)	New Manual on Corporate Governance
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting)	New Manual on Corporate Governance
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant	Indicate frequency of review of business objectives and strategy	New Manual on Corporate Governance
Supplement to Recommendation 2.2			

<p>1. Board has a clearly defined and updated vision, mission and core values.</p>	Compliant	<p>Indicate or provide link/reference to a document containing the company's vision, mission and core values.</p> <p>Indicate frequency of review of the vision, mission and core values.</p>	<p>New Manual on Corporate Governance</p> <p>The Board reviews and approves the vision, mission and core values annually.</p>
<p>2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.</p>	Compliant	<p>Provide information on or link/reference to a document containing information on the strategy execution process.</p>	<p>New Manual on Corporate Governance</p>
<p>Recommendation 2.3</p>			
<p>1. Board is headed by a competent and qualified Chairperson.</p>	Compliant	<p>Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications</p>	<p>New Manual on Corporate Governance, Information statement and website</p>
<p>Recommendation 2.4</p>			
<p>1. Board ensures and adopts an effective succession planning program for directors, key officers and management.</p>	Compliant	<p>Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation</p>	<p>New Manual on Corporate Governance, Information statement</p>
<p>2. Board adopts a policy on the retirement for directors and key officers.</p>	Compliant		<p>New Manual on Corporate Governance</p> <p>The Corporation currently has a retirement plan covering substantially all of its employees, officers and directors except non-executive members of the Board. However, the Corporation will study if it needs to adopt a retirement plan for its non-executive directors.</p>

Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.	New Manual on Corporate Governance, Information statement Executive directors receive fixed remuneration as recommended by Compensation Committee, per diem for board and committee meetings and annual bonus as approved by the Board. Non-executive directors receive per diem for board and committee meetings and annual bonus as approved by the Board.
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant		New Manual on Corporate Governance, Information statement
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant		New Manual on Corporate Governance, Information statement
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	Compliant	Provide proof of board approval	New Manual on Corporate Governance, Information statement The Board of Directors, upon recommendation of the Compensation Committee and taking into consideration the performance evaluations and other factors, fixes the compensation of the officers and executives of the Company.

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	Provide information on or link/reference to a document containing measurable standards to align performance-based remuneration with the long-term interest of the company.	New Manual on Corporate Governance, Information statement
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.	New Manual on Corporate Governance, Information statement, By-laws The selection, nomination and election of directors are in accordance with the policies set forth in the New Manual on Corporate Governance.
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	Provide proof if minority shareholders have a right to nominate candidates to the board	New Manual on Corporate Governance, Information statement, By-laws
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant	Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	New Manual on Corporate Governance, Information statement, By-laws
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant		New Manual on Corporate Governance, Information statement, By-laws
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		New Manual on Corporate Governance, Information statement, By-laws

6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		New Manual on Corporate Governance, Information statement, By-laws
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	Currently, the Corporation does not use professional search firms or other external sources of candidates. The Company still needs to study the possibility of using these firms in the future.
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	Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs Identify transactions that were approved pursuant to the policy.	New Manual on Corporate Governance, Information statement, Annual Report While related party transactions are not per se prohibited or avoided, should any officer be interested or involved in any transaction of the Company, the Company shall endeavor to be informed of all relevant facts, shall ensure that the approval of the transaction is for the best interests of the Company and not merely for the purpose of benefitting the concerned officer or director. Transactions between related parties are accounted for at arms' length prices or on terms similar to those offered to non-related entities in an economically comparable market.
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant		New Manual on Corporate Governance, Information statement, Annual Report

<p>3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.</p>	Compliant		New Manual on Corporate Governance, Information statement, Annual Report
Supplement to Recommendations 2.7			
<p>1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered 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.</p>	Compliant	<p>Provide information on a materiality threshold for RPT disclosure and approval, if any.</p> <p>Provide information on RPT categories</p>	New Manual on Corporate Governance, Information statement, Annual Report
<p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p>	Compliant	Provide information on voting system, if any.	New Manual on Corporate Governance, Information statement, Annual Report, By-laws
Recommendation 2.8			
<p>1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	Compliant	<p>Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management.</p> <p>Identify the Management team appointed</p>	New Manual on Corporate Governance, By-laws, Board Committee Charters, website

<p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	Compliant	<p>Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.</p> <p>Provide information on the assessment process and indicate frequency of assessment of performance.</p>	<p>New Manual on Corporate Governance, By-laws, Board Committee Charters, website</p>
<p>Recommendation 2.9</p>			
<p>1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.</p>	Compliant	<p>Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.</p>	<p>New Manual on Corporate Governance</p>
<p>2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.</p>	Compliant		<p>New Manual on Corporate Governance</p>
<p>Recommendation 2.10</p>			
<p>1. Board oversees that an appropriate internal control system is in place.</p>	Compliant	<p>Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system</p>	<p>New Manual on Corporate Governance</p> <p>The Board reviews, monitors and evaluates the adequacy and effectiveness of the Company's internal control system annually.</p>
<p>2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.</p>	Compliant		<p>New Manual on Corporate Governance</p>

3. Board approves the Internal Audit Charter.	Compliant	Provide reference or link to the company's Internal Audit Charter	New Manual on Corporate Governance, Audit Committee Charter
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	Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.	New Manual on Corporate Governance, website
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	Provide proof of effectiveness of risk management strategies, if any.	New Manual on Corporate Governance, website
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilitys in carrying out its fiduciary role.	Compliant	Provide link to the company's website where the Board Charter is disclosed.	New Manual on Corporate Governance, By-laws, Board Committee Charters, website
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant		New Manual on Corporate Governance, By-laws, Board Committee Charters, website
3. Board Charter is publicly available and posted on the company's website.	Compliant		New Manual on Corporate Governance, By-laws, Board Committee Charters, website
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	Compliant	Provide information on or link/reference to a document showing company's insider trading policy.	New Manual on Corporate Governance, website
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	Provide information on a link/reference to a document showing company's policy on granting loans to directors, if any.	New Manual on Corporate Governance, By-laws
2. Company discloses the types of decision requiring board of directors' approval.	Compliant	Indicate the types of decision requiring board of directors' approval and where there are disclosed.	New Manual on Corporate Governance, By-laws

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	Provide information or link/reference to a document containing information on all the board committees established by the company.	New Manual on Corporate Governance, Board Organizational Meeting, website
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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	Provide information or link/reference to a document containing information on the Audit Committee, including its functions. Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.	New Manual on Corporate Governance, Board Organizational Meeting, Information statement, website
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2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.	New Manual on Corporate Governance, Board Organizational Meeting, Information statement
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.	New Manual on Corporate Governance, Board Organizational Meeting, Information statement
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	Provide information or link/reference to a document containing information on the Chairman of the Audit Committee	New Manual on Corporate Governance, Board Organizational Meeting, Information statement. The Chairman of the Audit Committee is not the Chairman of the Board. However, the same is the Chairman of the Corporate Governance Committee and Related Party Transaction Committee.
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.	New Manual on Corporate Governance, Audit Committee Charter Currently, the Company has no non-audit services done by the external auditor.
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.	New Manual on Corporate Governance Audit Committee Charter The Company's Board Treasurer and CFO are present during Audit Committee Meetings

Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.	Compliant	Indicate the number of Audit Committee meetings during the year and provide proof	New Manual on Corporate Governance Audit Committee holds at least four meetings in a year to discuss annual and quarterly financial reports
2. Audit Committee approves the appointment and removal of the internal auditor.	Compliant	Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.	New Manual on Corporate Governance, Audit Committee Charter
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.	Compliant	Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.	New Manual on Corporate Governance Board Organizational Meeting, website
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Compliant	Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.	New Manual on Corporate Governance Board Organizational Meeting Not all but majority is independent director.
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.	New Manual on Corporate Governance Board Organizational Meeting

Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.	Compliant	Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.	New Manual on Corporate Governance Corporate Governance Committee held meetings twice.
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions	New Manual on Corporate Governance Board Organizational Meeting, website
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Non-Compliant	Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship	New Manual on Corporate Governance Board Organizational Meeting. There are five (5) members but only the Chairman of the Committee is the independent director.
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Compliant	Provide information or link/reference to a document containing information on the Chairman of the BROC	New Manual on Corporate Governance Board Organizational Meeting
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant	Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.	New Manual on Corporate Governance Board Organizational Meeting
Recommendation 3.5			

1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.	New Manual on Corporate Governance Board Organizational Meeting, website
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant	Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.	New Manual on Corporate Governance Board Organizational Meeting, website
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	Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.	New Manual on Corporate Governance, website
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant		New Manual on Corporate Governance, website
3. Committee Charters were fully disclosed on the company's website.	Compliant	Provide link to company's website where the Committee Charters are disclosed.	New Manual on Corporate Governance, website

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

Recommendation 4.1

<p>1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.</p>	Compliant	<p>Provide information or link/reference to a document containing information on the process and procedure for tele-/videoconferencing board and/or committee meetings.</p> <p>Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.</p>	New Manual on Corporate Governance, By-laws
<p>2. The directors review meeting materials for all Board and Committee meetings.</p>	Compliant		New Manual on Corporate Governance, By-laws
<p>3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.</p>	Compliant	<p>Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors</p>	New Manual on Corporate Governance, By-laws
Recommendation 4.2			
<p>1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.</p>	Compliant	<p>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</p> <p>Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies</p>	New Manual on Corporate Governance, Information statement
Recommendation 4.3			

1. The directors notify the company's board before accepting a directorship in another company.	Compliant	Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.	New Manual on Corporate Governance, Information statement
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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.	Compliant		New Manual on Corporate Governance, Information statement
2. Company schedules board of directors' meetings before the start of the financial year.	Compliant		New Manual on Corporate Governance, Regular meetings are scheduled on the last week of each quarter but no definite dates subject to the availability of majority of the directors.
3. Board of directors meet at least six times during the year.	Compliant	Indicate the number of board meetings during the year and provide proof	The Board of Directors held seven meetings during the year.
4. Company requires as minimum quorum of at least 2/3 for board decisions.	Compliant	Indicate the required minimum quorum for board decisions	New Manual on Corporate Governance, By-laws

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	Provide information or link/reference to a document containing information on the number of independent directors in the board	Only two independent directors were elected but the Board is planning to elect one more this year.
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Recommendation 5.2

1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	Provide information or link/reference to a document containing information on the qualifications of the independent directors.	New Manual on Corporate Governance, Information statement, Annual Report, Certification of independent director
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	Provide link/reference to a document containing information that directors are not constrained to vote independently.	New Manual on Corporate Governance, Information statement, Annual Report,
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	Provide information or link/reference to a document showing the years IDs have served as such.	New Manual on Corporate Governance, Information statement, Annual Report, Certification of independent director
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director	New Manual on Corporate Governance, Information statement, Annual Report, Certification of independent director
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	Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.	New Manual on Corporate Governance, Information statement, Annual Report, Certification of independent director
Recommendation 5.4			

<p>1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.</p>	Compliant	Identify the company's Chairman of the Board and Chief Executive Officer	New Manual on Corporate Governance Board Organizational Meeting Mr. Reynaldo P. Bantug is the Chairman of the Board while Mr. Eng Hun Chuah is the President/CEO
<p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p>	Compliant	Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer. Identify the relationship of Chairman and CEO.	New Manual on Corporate Governance Information statement, Annual Report The Chairman of the Board and the President are not related.
Recommendation 5.5			
<p>1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.</p>	Compliant	Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any. Indicate if Chairman is independent.	New Manual on Corporate Governance The Chairman of the Board is not an independent director. The Board has only two independent directors and anyone of them could be a lead director.
Recommendation 5.6			
<p>1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.</p>	Compliant	Provide proof of abstention, if this was the case	New Manual on Corporate Governance
Recommendation 5.7			

<p>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.</p>	<p>Compliant</p>	<p>Provide proof and details of said meeting, if any. Provide information on the frequency and attendees of meetings.</p>	<p>New Manual on Corporate Governance The Company has no restriction for non-executive directors to have separate periodic meetings with the external audit, compliance and risk functions, without any executive present. However at present, the members of the Audit Committee, who are composed of non-executive directors, meet with the external auditor and the head of the internal audit to discuss interim and annual financial statements of the Company.</p>
<p>2. The meetings are chaired by the lead independent director.</p>	<p>Compliant</p>		<p>New Manual on Corporate Governance The Company has no restriction for non-executive directors to have separate periodic meetings with the external audit, compliance and risk functions, without any executive present. However at present, the members of the Audit Committee, who are composed of non-executive directors, meet with the external auditor and the head of the internal audit to discuss interim and annual financial statements of the Company.</p>

Optional: Principle 5

1. None of the directors is a former CEO of the company in the past 2 years.	Non-Compliant	Provide name/s of company CEO for the past 2 years	New Manual on Corporate Governance In the past two years, the Chairman of the Board and President is Mr. Reynaldo P. Bantug, but in 2017, he retired as president and he was replaced by then a newly elected director Mr. Eng Hun Chuch as president of the Company.
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	Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees	New Manual on Corporate Governance, Information statement, Annual Report
2. The Chairman conducts a self-assessment of his performance.	Compliant		New Manual on Corporate Governance, Information statement, Annual Report
3. The individual members conduct a self-assessment of their performance.	Compliant	Identify the external facilitator and provide proof of use of an external facilitator.	New Manual on Corporate Governance, Information statement, Annual Report
4. Each committee conducts a self-assessment of its performance.	Compliant		New Manual on Corporate Governance, Information statement, Annual Report
5. Every three years, the assessments are supported by an external facilitator.	Non-Compliant		New Manual on Corporate Governance Since the Company has adopted the New Manual on Corporate Governance in 2017, it is still in the process of studying the need for external facilitator.
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	Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders	New Manual on Corporate Governance
2. The system allows for a feedback mechanism from the shareholders.	Compliant		New Manual on Corporate Governance
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	Provide information on or link/reference to the company's Code of Business Conduct and Ethics.	New Manual on Corporate Governance, website The Company maintains policies and procedures that apply to all directors, officers, senior management and employees.
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.	New Manual on Corporate Governance The Company reminds all directors, officers, senior management and employees about the Code of Business Conduct and Ethics, and this is made available to them in the Company's website.
3. The Code is disclosed and made available to the public through the company website.	Compliant	Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/disclosed.	New Manual on Corporate Governance, website
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	Provide information on or link/reference to a document containing information on the company's policy and procedure on curbing and penalizing bribery	New Manual on Corporate Governance The Company maintains policies and procedures that apply to all directors, officers, senior management and employees.
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies. Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.	New Manual on Corporate Governance The Company maintains policies and procedures that apply to all directors, officers, senior management and employees. These policies and procedures are made available for them to get acquainted and strictly follow.
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant		New Manual on Corporate Governance The Company maintains policies and procedures that apply to all directors, officers, senior management and employees. These policies and procedures are made available for them to get acquainted and strictly follow.
Disclosure and Transparency			
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			

<p>1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.</p>	Compliant	<p>Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders</p>	<p>New Manual on Corporate Governance, Information statement, Annual Report, website</p>
<p>Supplement to Recommendations 8.1</p>			
<p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.</p>	Compliant	<p>Indicate the number of days within which the consolidated and interim reports were published, distributed or made available from the end of the fiscal year and end of the reporting period, respectively.</p>	<p>New Manual on Corporate Governance, Information statement, Annual Report, Quarterly Report, website</p>
<p>2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p>	Compliant	<p>Provide link or reference to the company's annual report where the following are disclosed:</p> <ol style="list-style-type: none"> 1. principal risks to minority shareholders associated with the identity of the company's controlling shareholders; 2. cross-holdings among company affiliates; and 3. any imbalances between the controlling shareholders' voting power and overall equity position in the company. 	<p>New Manual on Corporate Governance, Information statement, Annual Report, website</p>
<p>Recommendation 8.2</p>			

1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share.	Information statement, Annual Report, website, PSE and SEC disclosures
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.	Information statement, Annual Report, website, PSE and SEC disclosures
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 its shares from the market (e.g. share buy-back program).	Compliant	Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders. Provide link or reference to the company's Conglomerate Map.	Information statement, Annual Report, website, PSE and SEC disclosures
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	Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.	Information statement, Annual Report, website

<p>2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	Compliant	<p>Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</p>	Information statement, Annual Report, website
Recommendation 8.4			
<p>1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.</p>	Compliant	<p>Disclose or provide link/reference to the company policy and practice for setting board remuneration</p>	Information statement, Annual Report
<p>2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.</p>	Compliant	<p>Disclose or provide link/reference to the company policy and practice for determining executive remuneration</p>	Information statement, Annual Report
<p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p>	Compliant	<p>Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.</p>	Information statement, Annual Report
Recommendation 8.5			
<p>1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.</p>	Compliant	<p>Disclose or provide reference/link to company's RPT policies Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</p>	<p>New Manual on Corporate Governance, Annual Report, Information statement Directors with conflict of interest are abstained from deliberations and votes.</p>

<p>2. Company discloses material or significant RPTs reviewed and approved during the year.</p>	<p>Compliant</p>	<p>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</p> <ol style="list-style-type: none"> 1. name of the related counterparty; 2. relationship with the party; 3. transaction date; 4. type/nature of transaction; 5. amount or contract price; 6. terms of the transaction; 7. rationale for entering into the transaction; 8. the required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and 9. other terms and conditions 	<p>Annual Report, Audited Financial Statements, Information statement</p>
<p>Supplement to Recommendation 8.5</p>			
<p>1. Company requires directors to disclose their interests in transactions or any other conflict of interests.</p>	<p>Compliant</p>	<p>Indicate where and when directors disclose their interests in transactions or any other conflict of interests.</p>	<p>New Manual on Corporate Governance</p> <p>The Company requires a director to not participate in the decision-making process if an actual or potential conflict of interest arises, and to immediately disclose the same to the Board of Directors.</p>
<p>Optional : Recommendation 8.5</p>			

<p>1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.</p>	Compliant	Provide link or reference where this is disclosed, if any	<p>New Manual on Corporate Governance, Annual Report, Information statement</p> <p>The Company engages independent third-party advisors to help ensure RPTs are entered into at arm's length. Its independent directors always participate in decisions involving RPTs. On the other hand, in the case of transactions with entities with interlocking directors, the concerned directors abstain themselves from the deliberations and votes.</p>
Recommendation 8.6			
<p>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.</p>	Compliant	Provide link or reference where this is disclosed	<p>New Manual on Corporate Governance, Annual Report, Information statement</p>
<p>2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.</p>	Compliant	<p>Identify independent party appointed to evaluate the fairness of the transaction price</p> <p>Disclose the rules and procedures for evaluating the fairness of the transaction price, if any.</p>	<p>New Manual on Corporate Governance, Annual Report, Information statement</p> <p>The Board reviews transactions involving Company assets and seeks independent party's evaluation before approving such transactions.</p>
Supplement to Recommendation 8.6			
<p>1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.</p>	Compliant	Provide link or reference where these are disclosed.	<p>New Manual on Corporate Governance, Annual Report, Information statement</p>

Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	Provide link to the company's website where the Manual on Corporate Governance is posted.	New Manual on Corporate Governance, website
2. Company's MCG is submitted to the SEC and PSE.	Compliant		New Manual on Corporate Governance, website
3. Company's MCG is posted on its company website.	Compliant		Website, www.ljwc.com.ph
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	Provide proof of submission.	New Manual on Corporate Governance, website Company's New MCG was submitted to SEC and PSE on 29 May 2017.
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:	Compliant	Provide link or reference to the company's Annual Report containing the said information.	Annual Report, Annual Audited Financial Statements
a. Corporate Objectives	Compliant		Annual Report, Annual Audited Financial Statements
b. Financial performance indicators	Compliant		Annual Report, Annual Audited Financial Statements
c. Non-financial performance indicators	Compliant		Annual Report, Annual Audited Financial Statements
d. Dividend Policy	Compliant		Annual Report, Annual Audited Financial Statements

<p>e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors</p>	Compliant		Annual Report, Annual Audited Financial Statements
<p>f. Attendance details of each director in all directors meetings held during the year</p>	Compliant		Annual Report, Annual Audited Financial Statements
<p>g. Total remuneration of each member of the board of directors</p>	Compliant		Annual Report, Annual Audited Financial Statements
<p>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.</p>	Compliant	Provide link or reference to where this is contained in the Annual Report	Annual Report, Annual Audited Financial Statements
<p>3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.</p>	Compliant	Provide link or reference to where this is contained in the Annual Report	Annual Report, Annual Audited Financial Statements
<p>4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.</p>	Compliant	Provide link or reference to where this is contained in the Annual Report	Annual Report, Annual Audited Financial Statements
<p>5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).</p>	Compliant	Provide link or reference to where these are contained in the Annual Report	Annual Report, Annual Audited Financial Statements

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

Recommendation 9.1

<p>1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.</p>	<p>New Manual Corporate Governance, Information Statement, Annual Report</p>
<p>2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.</p>	<p>Compliant</p>	<p>Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.</p>	<p>New Manual Corporate Governance, Information Statement, Annual Report The Company's shareholders owning or representing 66.67% of the capital stock ratifies the appointment, reappointment, removal and fees of the external auditor.</p>
<p>3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.</p>	<p>New Manual Corporate Governance, Information Statement, Annual Report</p>

Supplement to Recommendation 9.1

<p>1. Company has a policy of rotating the lead audit partner every five years.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years.</p>	<p>New Manual Corporate Governance, Information Statement, Annual Report</p>
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Recommendation 9.2

<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <ul style="list-style-type: none"> i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. 	Compliant	Provide link/reference to the company's Audit Committee Charter	Audit Committee Charter, New Manual on Corporate Governance, website
<p>2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	Compliant	Provide link/reference to the company's Audit Committee Charter	Audit Committee Charter, New Manual on Corporate Governance
Supplement to Recommendations 9.2			
<p>1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.</p>	Compliant	Provide link/reference to the company's Audit Committee Charter	Audit Committee Charter, New Manual on Corporate Governance
<p>2. Audit Committee ensures that the external auditor has adequate quality control procedures.</p>	Compliant	Provide link/reference to the company's Audit Committee Charter	Audit Committee Charter, New Manual on Corporate Governance

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	Disclose the nature of non-audit services performed by the external auditor, if any.	Annual Report, Information Statement Currently, the Company's external auditor has no non-audit services performed for the Company.
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	Provide link or reference to guidelines or policies on non-audit services	New Manual Corporate Governance, Information Statement, Annual Report
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	Provide information on audit and non-audit fees paid.	New Manual Corporate Governance, Information Statement, Annual Report Currently, the Company's external auditor has no non-audit services performed for the Company.
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	Provide information on company's external auditor, such as: 1. Name of the audit engagement partner; 2. Accreditation number; 3. Date Accredited; 4. Expiry date of accreditation; and 5. Name, address, contact number of the audit firm.	The Company's current external auditor is Sycip Gorres Velayo & Co. Ms. Maria Pilar B. Hernandez is the handling partner assigned to the Company. Annual Audited Financial Statements, website

<p>2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).</p>	Compliant	<p>Provide information on the following:</p> <ol style="list-style-type: none"> 1. Date it was subjected to SOAR inspection, if subjected; 2. Name of the Audit firm; and 3. Members of the engagement team inspected by the SEC. 	<p>Company's external auditor, SGV & Co. was subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program last November 12-23, 2018. The names of the members of the engagement team were provided to the SEC during the SOAR inspection.</p>
<p>Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.</p>			
<p>Recommendation 10.1</p>			
<p>1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.</p>	Compliant	<p>Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.</p>	<p>New Manual on Corporate Governance, Information Statement, website</p>
<p>2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.</p>	Compliant	<p>Provide link to Sustainability Report, if any. Disclose the standards used.</p>	<p>New Manual on Corporate Governance, Information Statement, website</p>
<p>Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.</p>			
<p>Recommendation 11.1</p>			
<p>1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.</p>	Compliant	<p>Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any.</p>	<p>Analyst's briefing, Press releases, website</p>
<p>Supplemental to Principle 11</p>			

1. Company has a website disclosing up-to-date information on the following:	Compliant	Provide link to company website	www.lwvc.com.ph
a. Financial statements/reports (latest quarterly)	Compliant		www.lwvc.com.ph
b. Materials provided in briefings to analysts and media	Compliant		www.lwvc.com.ph
c. Downloadable annual report	Compliant		www.lwvc.com.ph
d. Notice of ASM and/or SSM	Compliant		www.lwvc.com.ph
e. Minutes of ASM and/or SSM	Compliant		www.lwvc.com.ph
f. Company's Articles of Incorporation and By-Laws	Compliant		www.lwvc.com.ph
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	Compliant		www.lwvc.com.ph
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	List quality service programs for the internal audit functions. Indicate frequency of review of the internal control system	New Manual on Corporate Governance, Information Statement, Annual Report The Company's internal control system is reviewed periodically.

<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	Compliant	<p>Identify international framework used for Enterprise Risk Management</p> <p>Provide information or reference to a document containing information on:</p> <ol style="list-style-type: none"> 1. Company's risk management procedures and processes 2. Key risks the company is currently facing 3. How the company manages the key risks <p>Indicate frequency of review of the enterprise risk management framework.</p>	<p>New Manual on Corporate Governance, Information Statement, Annual Report, website.</p> <p>The Company's Enterprise Risk Management Policy and Procedures Manual has just been updated last quarter of 2018.</p>
<p>Supplement to Recommendations 12.1</p>			
<p>1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.</p>	Compliant	<p>Provide information on or link/reference to a document containing the company's compliance program covering compliance with laws and relevant regulations.</p> <p>Indicate frequency of review.</p>	<p>New Manual on Corporate Governance, Information Statement, Annual Report</p> <p>Compliance with laws and relevant regulations is annually reviewed.</p>
<p>Optional: Recommendation 12.1</p>			

1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.	Compliant	Provide information on IT governance process	New Manual on Corporate Governance, Information Statement, Annual Report
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	Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.	The Company has an in-house internal audit officer and personnel.
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.	New Manual on Corporate Governance, Information Statement, Annual Report
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		New Manual on Corporate Governance, Information Statement, Annual Report
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	Identify qualified independent executive or senior management personnel, if applicable.	New Manual on Corporate Governance, Information Statement, Annual Report N/A
Recommendation 12.4			

<p>1. Company has a separate risk management function to identify, assess and monitor key risk exposures.</p>	Compliant	Provide information on company's risk management function.	<p>New Manual on Corporate Governance, Information Statement, Annual Report</p> <p>The Board annually reviews the Corporation's risk management functions, as part of the annual review of its financial statements.</p>
Supplement to Recommendation 12.4			
<p>1. Company seeks external technical support in risk management when such competence is not available internally.</p>	Non-Compliant	Identify source of external technical support, if any.	<p>The Company presently does not seek external technical support in risk management but it undertakes to study the possibility of seeking one if the need arises.</p>
Recommendation 12.5			
<p>1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).</p>	Non-Compliant	Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.	<p>The Company is still in the process of selecting the right person to be appointed as its Chief Risk Officer (CRO).</p>
<p>2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.</p>	Non-Compliant		<p>The Company is still in the process of selecting the right person to be appointed as its Chief Risk Officer (CRO).</p>
Additional Recommendation to Principle 12			
<p>1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.</p>	Non-Compliant	Provide link to CEO and CAE's attestation	New Manual on Corporate Governance
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	Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.	New Manual on Corporate Governance, Information Statement, By-laws	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Provide link to company's website	New Manual on Corporate Governance, Information Statement, website	
Supplement to Recommendation 13.1				
1. Company's common share has one vote for one share.	Compliant		New Manual on Corporate Governance, Information Statement, By-laws	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	Provide information on all classes of shares, including their voting rights if any.	New Manual on Corporate Governance, Information Statement, By-laws	
3. Board has an effective, secure, and efficient voting system.	Compliant	Provide link to voting procedure. Indicate if voting is by poll or show of hands.	New Manual on Corporate Governance, Information Statement, By-laws	
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.	Compliant	Provide information on shareholder voting mechanisms such as supermajority or "majority of minority", if any.	New Manual on Corporate Governance, Information Statement, By-laws The Company complies with the provisions of the Corporation Code of the Philippines prescribing a greater voting requirement or an absolute majority vote of the stockholders in certain corporate acts/transactions.	
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	Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution)	New Manual on Corporate Governance, Information Statement, By-laws	

6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	Provide information or link/reference to the policies on treatment of minority shareholders	New Manual on Corporate Governance, Information Statement, By-laws
7. Company has a transparent and specific dividend policy.	Compliant	Provide information on or link/reference to the company's dividend Policy. Indicate if company declared dividends. If yes, indicate the number of days within which the dividends were paid after declaration. In case the company has offered scrip-dividends, indicate if the company paid the dividends within 60 days from declaration	New Manual on Corporate Governance, Information Statement, By-laws The company declares dividend for common shareholders annually except last year (2018). Dividends are paid eighteen trading days from record date.
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	Compliant	Identify the independent party that counted/validated the votes at the ASM, if any.	The Company's stock and transfer agent counts and/or validate the votes at the Annual Stockholders' Meeting
Recommendation 13.2			

<p>1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.</p>	Compliant	<p>Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out</p> <p>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</p> <p>Provide link to the Agenda included in the company's Information Statement (SEC Form 20-15)</p>	<p>Information Statement</p> <p>Notice of Annual Stockholders' Meeting together with Information Statement and Annual Report is sent at least 15 days prior to the date of the annual meeting.</p>
Supplemental to Recommendation 13.2			
<p>1. Company's Notice of Annual Stockholders' Meeting contains the following information:</p>	Compliant	<p>Provide link or reference to the company's notice of Annual Shareholders' Meeting</p>	Information Statement
<p>a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)</p>	Compliant		Information Statement, Annual Report
<p>b. Auditors seeking appointment/re-appointment</p>	Compliant		Information Statement, Annual Report
<p>c. Proxy documents</p>	Compliant		Information Statement
Optional: Recommendation 13.2			
<p>1. Company provides rationale for the agenda items for the annual stockholders meeting</p>	Compliant	<p>Provide link or reference to the rationale for the agenda items</p>	Information Statement
Recommendation 13.3			

<p>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.</p>	Compliant	<p>Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.</p>	<p>Information Statement, Annual Report, website</p>
<p>2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.</p>	Compliant	<p>Provide link to minutes of meeting in the company website. Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes. Indicate also if the voting on resolutions was by poll. Include whether there was opportunity to ask question and the answers given, if any</p>	<p>Information Statement, Annual Report, website</p>
<p>Supplement to Recommendation 13.3</p> <p>1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholder questions during the ASM and SSM.</p> <p>Recommendation 13.4</p> <p>Information Statement Company's External Auditor and other officers are present during the Annual Stockholders' Meeting</p>			

<p>1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.</p>	Compliant	Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes	<p>New Manual on Corporate Governance</p> <p>The Company does not have a strict and formal alternative dispute resolution system in place for the amicable settlement of differences and conflicts. However, the Company does prefer, encourage and recognize the benefit of amicably settling disputes both within the Company and those involving third persons to avoid the mutual inconvenience and expense of litigation.</p> <p>The Board of Directors shall establish an alternative dispute resolution system that can amicably settle conflicts or differences between the Corporation and its stockholders, and the Corporation and third parties, including regulatory authorities.</p>
<p>2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.</p>	Compliant	Provide link/reference to where it is found in the Manual on Corporate Governance	New Manual on Corporate Governance
<p>Recommendation 13.5</p>			
<p>1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.</p>	Compliant	<p>Disclose the contact details of the officer/office responsible for investor relations, such as:</p> <ol style="list-style-type: none"> 1. Name of the person 2. Telephone number 3. Fax number 4. E-mail address 	<p>Mr. Alfredo B. Reyes Telephone No. (+632) 975-1749 Mobile No. (+63) 917-5275499 Fax Number (+632) 635-0993 E-mail: freddie.reyes@lwc.com.ph</p>

2. IRO is present at every shareholder's meeting.	Compliant	Indicate if the IRO was present during the ASM.	Investor Relations Officer is always present during Annual Stockholders' Meeting.
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	Compliant	Provide information on how anti-takeover measures or similar devices were avoided by the board, if any.	New Manual on Corporate Governance, Information Statement, By-laws
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Compliant	Indicate the company's public float.	Information Statement, Public Ownership Report. Company's public float is 64.4%
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	Compliant	Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM	New Manual on Corporate Governance, Information Statement, Annual Report, website
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	Non-Compliant	Disclose the process and procedure for secure electronic voting in absentia, if any.	The Company has not yet adopted a policy to secure electronic voting in absentia at the Annual Stockholders' Meeting. The Company will still study if there's a need for electronic voting.
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	Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.	New Manual on Corporate Governance, Information Statement, Annual Report, website
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	Identify policies and programs for the protection and fair treatment of company's stakeholders	New Manual on Corporate Governance, Information Statement, Annual Report, website
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	Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights. Provide information on whistleblowing policy, practices and procedures for stakeholders	New Manual on Corporate Governance, Information Statement, Annual Report, website Mr. Alfredo B. Reyes Telephone No. (+632) 975-1749 Mobile No. (+63) 917-5275499 Fax Number (+632) 635-0993 E-mail: freddie.reyes@lwc.com.ph
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.	Compliant	Provide information on the alternative dispute resolution system established by the company.	New Manual on Corporate Governance, Information Statement, Annual Report, website
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	Disclose any requests for exemption by the company and the reason for the request.	New Manual on Corporate Governance, Information Statement, Annual Report, website
2. Company respects intellectual property rights.	Compliant	Provide specific instances, if any.	New Manual on Corporate Governance, Information Statement, Annual Report, website
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	Compliant	Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same.	New Manual on Corporate Governance, Information Statement, Annual Report, website
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Compliant	Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same.	New Manual on Corporate Governance, Information Statement, Annual Report, website
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	Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.	New Manual on Corporate Governance, Information Statement, Annual Report, Employees' Handbook
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	Disclose if company has in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.	New Manual on Corporate Governance, Information Statement, Annual Report, Employees' Handbook
2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any.	New Manual on Corporate Governance, Information Statement, Annual Report, Employees' Handbook, website
3. Company has policies and practices on training and development of its employees.	Compliant	Disclose and provide information on policies and practices on training and development of employees. Include information on any training conducted or attended.	New Manual on Corporate Governance, Information Statement, Annual Report, Employees' Handbook The Company is embarking on several programs for the benefit of its employees, including but not limited to, Personality Enhancement Programs, Leadership and Management Training Programs for its junior managers and officers.
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Compliant	Identify or provide link/reference to the company's policies, programs and practices on anti-corruption	New Manual on Corporate Governance, Information Statement, Annual Report, Employees' Handbook, Code of Business Conduct and Ethics
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	Identify how the board disseminated the policy and program to employees across the organization	New Manual on Corporate Governance, Information Statement, Annual Report, Employees' Handbook, website.
Supplement to Recommendation 15.2			

<p>1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.</p>	Compliant	<p>Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices.</p> <p>Include any finding of violations of the company policy.</p>	<p>New Manual on Corporate Governance, Information Statement, Annual Report, Employees' Handbook.</p>
<p>Recommendation 15.3</p>			
<p>1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation</p>	Compliant	<p>Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees.</p> <p>Indicate if the framework includes procedures to protect the employees from retaliation.</p> <p>Provide contact details to report any illegal or unethical behavior.</p>	<p>New Manual on Corporate Governance, Information Statement, Annual Report, Employees' Handbook, website.</p>
<p>2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.</p>	Compliant		<p>New Manual on Corporate Governance, Information Statement, Annual Report, Employees' Handbook, website.</p>
<p>3. Board supervises and ensures the enforcement of the whistleblowing framework.</p>	Compliant	<p>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.</p>	<p>New Manual on Corporate Governance, Information Statement, Annual Report, Employees' Handbook, website.</p>
<p>Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.</p>			
<p>Recommendation 16.1</p>			


1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	Compliant	Provide information or reference to a document containing information on the company's community involvement and environment-related programs.	New Manual on Corporate Governance, Information Statement, Annual Report, website
Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	Compliant	Identify or provide link/reference to policies, programs and practices to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development.	New Manual on Corporate Governance, Information Statement, Annual Report, website The Company is presently studying plans to incorporate environment-related programs and/or activities in its CSR program.
2. Company exerts effort to interact positively with the communities in which it operates	Compliant	Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.	New Manual on Corporate Governance, Information Statement, Annual Report, website The Company is presently studying plans to incorporate environment-related programs and/or activities in its CSR program.

Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of **PASIG CITY** on this **MAY 24, 2019** day of **MAY 24, 2019** 2019.

SIGNATURES


 Reynaldo P. Bantug
 Chairman of the Board


 Clarita T. Zarraga
 Independent Director


 Ma. Ruiza R. Hernane
 Acting Compliance Officer/Acting Corporate Secretary


 Eng. Hun Chuah
 President


 Anthony L. Almada
 Independent Director

SUBSCRIBED AND SWORN to before me this ___ day of May 2019, affiant(s) exhibiting to me competent evidences of their identities, as follows:

NAME	PASSPORT NO.	DATE OF ISSUE	PLACE OF ISSUE
Reynaldo P. Bantug	P5507347A	January 3, 2018	DFA NCR East, Manila, Philippines
Eng Hun Chuah	A52259130	December 10, 2018	UTC Johor, Malaysia
Clarita T. Zarraga	EC7170086	March 20, 2016	DFA NCR South, Manila, Philippines
Anthony L. Almada	P6039079A	February 15, 2018	DFA NCR East, Manila, Philippines
Ma. Ruiza R. Hernane	EC3013602	December 17, 2014	DFA NCR East, Manila, Philippines

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 Series of 2019.

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 NOTARY PUBLIC
 Until December 31, 2019
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 For Pasig City, Paleros and San Juan City
 Attorney's Roll No. 46377
 IBP LRN 02459, O.R. No. 535896, 06-21-2011
 MCLE No. VI-0025705, 04-02-19
 PTR No. 5174565, 01-08-19; Pasig City
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