



SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph



The following document has been received:

Receiving: RICHMOND CARLOS AGTARAP

Receipt Date and Time: May 27, 2024 03:25:35 PM

Company Information

SEC Registration No.: AS93008127

Company Name: APC GROUP INC.

Industry Classification: J66940

Company Type: Stock Corporation

Document Information

Document ID: OST10527202482649551

Document Type: I-ACGR

Document Code: I-ACGR

Period Covered: December 31, 2023

Submission Type: Annual

Remarks: None

Acceptance of this document is subject to review of forms and contents

From: [Philippine Stock Exchange](#)
To:
Subject: Integrated Annual Corporate Governance Report
Date: Tuesday, May 28, 2024 12:16:27 PM

Dear Sir/Madam:

Your disclosure was approved as Company Report. Details are as follows:

Company Name: APC Group, Inc.
Reference Number: 0018023-2024
Date and Time: Tuesday, May 28, 2024 12:16 PM
Template Name: Integrated Annual Corporate Governance Report
Report Number: CR03736-2024

Best Regards,
PSE EDGE

This e-mail message, including any attached file, is confidential and legally privileged. It is solely for the intended recipient. If you received this e-mail by mistake, you should immediately notify the sender and delete this message from your system.

If you are not the intended recipient, you are prohibited from disseminating, distributing or copying this e-mail and its contents. Unauthorized or unlawful access, processing, use, misuse, alteration, interception, interference, communication, disclosure, distribution, downloading, uploading, copying, storage, reproduction and/or replication of any or all information, including personal and sensitive personal information ("Personal Data"), data, file(s), text, numbers, figures, images and/or graphics provided herein is punishable by law in accordance with Republic Act No. 10173, otherwise known as the Data Privacy Act of 2012, Republic Act No. 10175, otherwise known as the Cybercrime Prevention Act of 2012, and other applicable laws and regulations.

This e-mail cannot be guaranteed to be secure and error-free as it could be intercepted, corrupted, lost, destroyed, arrive late or incomplete, or contain viruses or other malicious programs. Therefore, the sender does not accept liability for any errors or omissions in the contents of this e-mail, which arise as a result of the transmission.

Unless it relates to business discharged by officials of the PSE, any views, opinions or factual assertions contained are those of the author and not necessarily of the PSE. The PSE prohibits unofficial use of its e-mail and consequently disclaims and accepts no liability for any damage caused by any libelous and defamatory statements transmitted via this e-mail.

If verification is required, please request for a hard copy.

To know about your rights as a data subject under the Data Privacy Act of 2012 and how the PSE processes and protects the Personal Data it collects and stores, you may visit the Privacy Policy page of PSE's website at

<https://www.pse.com.ph/stockMarket/content.html?sec=privacypolicy>

The Philippine Stock Exchange, Inc., 6th to 10th Floors, PSE Tower, 5th Avenue corner 28th Street, Bonifacio Global City, Taguig City, Philippines 1634

SECURITIES AND EXCHANGE COMMISSION

SEC FORM - I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended
Dec 31, 2023
2. SEC Identification Number
AS093-8127
3. BIR Tax Identification Number
002-834-075
4. Exact name of issuer as specified in its charter
APC Group, Inc.
5. Province, country or other jurisdiction of incorporation
Metro Manila, Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
G/F MyTown New York Building, General E. Jacinto corner Capas Streets,
BarangayGuadalupe Nuevo, Makati City
Postal Code
1212
8. Issuer's telephone number, including area code
(+632) 8662-8888
9. Former name, former address, and former fiscal year, if changed since last report
Not Applicable

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



APC Group, Inc.

APC

PSE Disclosure Form I-ACGR - Integrated Annual Corporate Governance Report
Reference: SEC Code of Corporate Governance for Publicly-Listed Companies, PSE Corporate Governance Guidelines, and ASEAN Corporate Governance Scorecard

Description of the Disclosure

We submit the attached 2023 Integrated Annual Corporate Governance Report of APC Group, Inc.

Filed on behalf by:

Name	Michelle Angeli Hernandez
Designation	Chief Risk Officer

COVER SHEET

A	S	9	3	0	0	8	1	2	7
---	---	---	---	---	---	---	---	---	---

SEC Registration Number

[illegible]

(Company's Full Name)

[illegible]

(Business Address: No. Street City/Town/Province)

MICHELLE ANGELI T. HERNANDEZ

(Contact Person)

(+632) 8662 8888

(Company Telephone Number)

1	2
---	---

Month

3	1
---	---

Day

(Calendar Year)

I	-	A	C	G	R
---	---	---	---	---	---

(Form Type)

--	--

Month

--	--

Day

(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

[illegible]

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **December 31, 2023**
2. SEC Identification Number **AS93008127** 3. BIR Tax Identification No. **002-834-075**
4. Exact name of issuer as specified in its charter **APC Group, Inc.**
5. **Metro Manila, Philippines**
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. **G/F MyTown New York Building, General E. Jacinto**
corner Capas Streets, Brgy. Guadalupe Nuevo, Makati City **1226**
Address of principal office Postal Code
8. **(+632) 8662 8888**
Issuer's telephone number, including area code
9. **Not applicable**
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:	
2. Board has an appropriate mix of competence and expertise.	Compliant	1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors	
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	APC Group Inc. Website/Our Company/Board of Directors, Management Team and Executive Officers https://www.apcaragorn.net/home/board-of-directors-management-team-and-executive-officers/ Definitive Information Statement (DIS) for 2023 ASM, pp. 15-17 https://www.apcaragorn.net/wp-content/uploads/APC-DIS-2023_redacted.pdf 2023 Continuing Education Program https://www.apcaragorn.net/wp-content/uploads/APC-2023-trainings-all-D-and-O-for-website.pdf Part III- Control and Compensation Information; Item 9 and Board Matrix of	

		<p>SEC Form 17-A for 2023 (Annual Report), pp. 29-31, 43 https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p> <p>DIS for 2023 ASM, pp. 15-19 https://www.apcaragorn.net/wp-content/uploads/APC-DIS-2023_redacted.pdf</p> <p>2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance</p> <p>Qualification standards for nominated directors</p> <p>November 2021 Revised Manual on Corporate Governance (MCG) - Item 2.4 on pp. 13 on the qualification standards for nominated directors: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p>	
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Compliant	<p>Identify or provide link/reference to a document identifying the directors and the type of their directorships</p> <p>Out of seven (7) directors of the Company, four (4) are non-executive directors; two (2) are independent directors and one (1) is an executive director</p>	

		<p>APC Group Inc. Website https://www.apcaragorn.net/home/board-of-directors-management-team-and-executive-officers/</p> <p>Item 9 and Board Matrix of SEC Form 17-A (Annual Report) for 2023, pp. 29-31, 43 https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p> <p>DIS for 2023 ASM, pp. 15-19 https://www.apcaragorn.net/wp-content/uploads/APC-DIS-2023_redacted.pdf</p> <p>Charter of the Board of Directors https://www.apcaragorn.net/wp-content/uploads/APC-Board-Charter-2024.pdf</p>	
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	<p>Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.</p> <p>Refer to item 9.2 on page 9 of Board Charter: https://www.apcaragorn.net/wp-content/uploads/APC-Board-Charter-2024.pdf</p> <p>Refer to item 1.2 on page 7 of MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p>	

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.	
3. Company has relevant annual continuing training for all directors.	Compliant	<p>Attendance to corporate governance training</p> <p>Refer to link below for the trainings attended by the directors and officers in 2023:</p> <p>https://www.apcaragorn.net/wp-content/uploads/APC-2023-trainings-all-D-and-O-for-website.pdf</p> <p>Majority of the directors attended the October 16, 2023 4-hour training with topics focusing on global economic and geo-political outlook, business trends and insights, generative A.I. and cybersecurity.</p>	
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	<p>Provide information on or link/reference to a document containing information on the company's board diversity policy.</p> <p>Indicate gender composition of the board.</p> <p>Refer to item 1.3 on page 7 of MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>The Company has 1 female director out of 7 directors.</p>	

		<p>APC Group Inc. Website/Our Company/Board of Directors, Management Team and Executive Officers https://www.apcaragorn.net/home/board-of-directors-management-team-and-executive-officers/</p> <p>Board Matrix of SEC Form 17-A (Annual Report) for 2023, pp. 29-31, 43 https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p> <p>DIS for 2023 ASM, p.62 https://www.apcaragorn.net/wp-content/uploads/APC-DIS-2023_redacted.pdf</p> <p>Item 3.A of the Code of Business Conduct and Ethics https://www.apcaragorn.net/corporate-governance/code-of-conduct-and-ethics/</p>	
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	<p>Provide information on or link/reference to a document containing the company's policy and measurable objectives for implementing board diversity.</p> <p>Provide link or reference to a progress report in achieving its objectives.</p> <p>As stated in the Manual on Corporate Governance, the Corporation values diversity in its Board of Directors.</p>	

		<p>Board Diversity in SEC Form 17-A (Annual Report) for 2023, p.42-43 https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p> <p>DIS for 2023 ASM, p. 62 https://www.apcaragorn.net/wp-content/uploads/APC-DIS-2023_redacted.pdf</p>	
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	<p>Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.</p> <p>Board is assisted by its Corporate Secretary, Atty. Richard Anthony D. Alcazar, from Tan Acut Lopez and Pison Law Offices. He is neither the Company's Compliance Officer nor a member of the Board of Directors.</p> <p>Refer to the company website link below for the qualifications and other information of the Corporate Secretary: https://www.apcaragorn.net/home/board-of-directors-management-team-and-executive-officers/</p> <p>Refer to item 1.4.3 on pages 7-8 of MCG for the duties and responsibilities of the corporate secretary: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p>	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		

		SEC Form 17-A (Annual Report) for 2023, p.32 https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf	
4. Corporate Secretary attends training/s on corporate governance.	Compliant	<p>Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered</p> <p>The Corporate Secretary attends training on corporate governance at least annually. On October 16, 2023, he attended the 4-hour training seminar with topics focusing on global economic and geo-political outlook, business trends and insights, generative A.I. and cybersecurity.</p> <p>Refer to the link below for the certificate of attendance, p. 11 of pdf: https://www.apcaragorn.net/wp-content/uploads/APC-2023-trainings-all-D-and-O-for-website.pdf </p>	
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	Compliant	<p>Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting</p> <p>The Corporate Secretary sends the materials to the Board through electronic mail in advance to provide ample time for the directors to prepare for the meetings. Printed copies are distributed upon request.</p>	

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.	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant		
3. Compliance Officer is not a member of the board.	Compliant	<p>Marie Joy T. Co is the Compliance Officer. She is also the Company's Treasurer. She is not a member of the Board nor the Corporate Secretary.</p> <p>Refer to item 1.5.2 on pages 8-9 of MCG for the duties, responsibilities and functions of the Compliance Officer: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>Refer to the company website link below for the qualifications and other information of the Compliance Officer: https://www.apcaragorn.net/home/board-of-directors-management-team-and-executive-officers/</p> <p>DIS for 2023 ASM, p.20 https://www.apcaragorn.net/wp-content/uploads/APC-DIS-2023_redacted.pdf</p> <p>SEC Form 17-A (Annual Report) for 2023, p.32 https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p>	

		Results of 2023 Organizational Meeting of the Board of Directors https://www.apcaragorn.net/wp-content/uploads/Disclosure-on-Results-of-2023-Board-Organizational-Meeting-of-APC-Group-Inc.pdf	
4. Compliance Officer attends training/s on corporate governance.	Compliant	<p>Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered</p> <p>The Compliance Officer attends training on corporate governance at least annually. Ms Marie Joy T. Co, the Compliance Officer, attended a 4-hour training seminar on October 16, 2023 with topics on global economic and geo-political outlook, business trends and insights, generative A.I. and cybersecurity.</p> <p>Refer to the link below for the certificate of attendance, p. 13 of pdf: https://www.apcaragorn.net/wp-content/uploads/APC-2023-trainings-all-D-and-O-for-website.pdf </p>	
Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.			
Recommendation 2.1			
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)	

		<p>Refer to item 2.1 on pages 9-10 of MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>The directors discuss, clarify, confirm and make informed decisions on matters with the best interest of the Company in mind. They address concerns and decide on appropriate courses of action. These are duly recorded in the minutes of the meetings, copies of which are kept by the Office of the Corporate Secretary.</p> <p>Refer to the link in the company website for the summary of board activities for 2023.</p> <p>Summary of 2023 Activities of the Board of Directors and its Committees https://www.apcaragorn.net/wp-content/uploads/APC-2023-Summary-of-Board-Activities-18may24.pdf</p>	
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)	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant	<p>Indicate frequency of review of business objectives and strategy</p> <p>Refer to item 2.1b and 2.1.g on pages 9-10 of MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p>	

		<p>The Board of Directors leads the overall company's business direction by developing strategy and identifying targets for the coming years. The CEO's role is to ensure delivery of these targets within the general business environment, with quarterly business reviews with his Management Team as well as the Board of Directors. The Management Team then cascades the objectives and deliverables to the employees, for timely and appropriate implementation, evaluation and corrective courses of action, if required.</p> <p>The Board approved the setting of the date of the Annual Stockholders' Meeting for 2023, including the Company's 2023 Plan of Operations included in the Company's</p> <p>SEC 17A (Annual Report) for 2023, p. 41 https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p> <p>Summaries of 2023 Board and Board Committee Activities https://www.apcaragorn.net/wp-content/uploads/APC-2023-Summary-of-Board-Activities-18may24.pdf</p> <p><i>Indicate frequency of review of business objectives and strategy</i></p> <p>The Board oversees and monitors the implementation of the Company's business objectives and strategy at least</p>	
--	--	--	--

		<p>annually. The CEO presents business updates and proposed future plans to the Board.</p> <p>The Board of Directors ensures the company's capital and debt structure align with strategic goals and risk appetite through the following measures:</p> <ol style="list-style-type: none"> 1. The board regularly reviews the company's financial reports, which include balance sheets, income statements, and cash management. This thorough examination allows the board to scrutinize the components of each account, including the current capital and debt structure, understanding their composition and implications for the company's financial health. 2. During regular board meetings, the board assesses whether the existing financial structure supports the company's strategic goals and long-term objectives. This analysis helps identify areas where adjustments may be necessary to better align with the company's vision. 3. The board continuously monitors the company's financial performance and market conditions. 4. Major decisions of the company require board resolutions and approvals. These decisions are documented in official board meetings and recorded in 	
--	--	--	--

		<p>corporate documents.</p> <p>governance</p> <p>Mission Vision and Core Values, and Corporate Objectives</p> <p>https://www.apcaragorn.net/home/mission-vision-and-core-values/</p> <p>https://www.apcaragorn.net/home/corporate-objectives/</p> <p>The Vision and Mission Statements were reviewed and approved by the Board during the February 9, 2023, and February 29, 2024 meetings.</p>	
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	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>Refer to the company website link below for the Company's vision, mission and core values: https://www.apcaragorn.net/home/mission-vision-and-core-values/</p> <p>The vision, mission and core values are reviewed annually by the Board of Directors.</p> <p>The Vision and Mission Statements were reviewed and approved by the Board on February 9, 2023 and February 29, 2024.</p>	

<p>2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to a document containing information on the strategy execution process.</p> <p>Please refer to item 2.1 on pages 9-10 of MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>The Board of Directors discuss key strategies and overall direction of the Company. Through the CEO as the head of management and to the employees for proper execution. The CEO oversees the operations and execution of the plans and keeps the BOD abreast of the progress.</p> <p>SEC Form 17-A (Annual Report) for 2023 with Sustainability Report, pp. 108-136 of pdf: https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p> <p>The Board of Directors ensures the company's capital and debt structure align with strategic goals and risk appetite through the following measures:</p> <ol style="list-style-type: none"> 1. The board regularly reviews the company's financial reports, which include balance sheets, income statements, and cash management. This thorough examination allows the board to scrutinize the components of 	
---	------------------	--	--

		<p>each account, including the current capital and debt structure, understanding their composition and implications for the company's financial health.</p> <ol style="list-style-type: none"> 2. During regular board meetings, the board assesses whether the existing financial structure supports the company's strategic goals and long-term objectives. This analysis helps identify areas where adjustments may be necessary to better align with the company's vision. 3. The board continuously monitors the company's financial performance and market conditions. 4. Major decisions of the company require board resolutions and approvals. These decisions are documented in official board meetings and recorded in corporate governance documents. 	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	<p>Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications</p> <p>Mr. Willy N. Ocier is the Chairman of the Board.</p> <p>Refer to item 2.2 on pages 10-11 of MCG for the responsibilities of the Chairman of the Board:</p>	

		https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf Refer to the company website link below for the qualification and other information of the Chairman of the Board. https://www.apcaragorn.net/home/board-of-directors-management-team-and-executive-officers/ DIS for 2023 ASM, p.15 https://www.apcaragorn.net/wp-content/uploads/APC-DIS-2023_redacted.pdf Item 9 of SEC Form 17-A (Annual Report) for 2023, p. 29 https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant	Refer to Article IV and Article VI of the Corporation's By-Laws for the succession planning for directors and officers. https://www.apcaragorn.net/wp-content/uploads/Amended-By-Laws.pdf Refer to item 2.1.i on page 9 of MCG :	

		<p>https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>A fundamental responsibility of the Board of Directors is to ensure that effective processes are in place to provide continuity of Board and executive leadership. The Board ensures that such leadership possesses sufficient depth, talent and conviction for effective Board oversight and execution of long-term strategies, consistent with the Company's vision and mission statements. Hence, a process for identifying and assessing potential internal candidates, periodic review and assessment of readiness, contingency planning for temporary absences of the key positions due to disability or any other unexpected event, should be in place.</p> <p>The Board will review and assess said processes on an annual basis. A succession planning process shall be established to include:</p> <ul style="list-style-type: none"> a) Identification of critical positions, b) Identifying potential successors, and behavior, c) Readiness of successors, d) Possession of necessary knowledge, skills e) Tracking the progress. <p>In a meeting on May 9, 2018, the Board has adopted a policy on the retirement age of directors and key officers, which has been set at the maximum age of 80 years old.</p>	
--	--	--	--

		Succession Planning and Retirement of Directors and Key Officers https://www.apcaragorn.net/corporate-governance/company-policies/	
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.	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant	Refer to item 2.1.j on page 9 and 2.8 on page 16 of MCG : https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	Refer to Section 12 of Article IV and Section 13 of Article VI of the Corporation's By-Laws for the remuneration of directors and key officers. https://www.apcaragorn.net/wp-content/uploads/Amended-By-Laws.pdf The Board of Directors values its management team and employees and recognizes the need of commensurate pay with corporate and individual performance. In order to deliver its long-term vision and mission, the Board of Directors espouses meritocracy and integrity within and loyalty to the organization. In terms of compensation of key officers and board members, all discussions are maintained in the strictest confidence.	

		<p>Code of Business Conduct and Ethics, Item III. D https://www.apcaragorn.net/corporate-governance/code-of-conduct-and-ethics/</p> <p>The Directors are prohibited from deciding their own remuneration.</p>	
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	Compliant	<p>Provide proof of board approval</p> <p>The Board thru the Compensation and Remuneration Committee is tasked to decide, determine and approve matters relating to the compensation and benefits of the Company's directors and officers, and to provide communications with the Board, and, as appropriate, communications with the stockholders and regulators.</p> <p>Remuneration of senior executives are included in the budget, which the Board approves annually.</p> <p>Summary of 2023 Board and Board Committee Meetings https://www.apcaragorn.net/wp-content/uploads/APC-2023-Summary-of-Board-Activities-18may24.pdf</p>	
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.	Compliant	<p>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.</p>	

		<p>The company has measurable standards which align the performance-based remuneration of the executive directors and senior management with the long-term interest of the Company.</p> <p>The Company aligns the performance of its employees with remuneration via merit-based remuneration increases and career advancement opportunities based on annual performance appraisals, which are done within the first quarter of the following year.</p>	
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	<p>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.</p> <p>Provide proof if minority shareholders have a right to nominate candidates to the board</p> <p>Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.</p> <p>Refer to item 2.1.k on pages 9-10 of MCG for the policy for formal and transparent board nomination and election policy.</p>	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant		
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant		
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		

		<p>https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>Refer to item 2.3-2.6 on pages 11-15 of MCG for nomination and election policy, qualifications, temporary and permanent disqualifications for the Board of Directors of the Corporation:</p> <p>https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>Refer to item 3.3 on pages 20-21 of MCG for the responsibilities of the Nominations Committee, responsibilities of which were merged with the Corporate Governance Committee in May 2018:</p> <p>https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>Item 13.4.1.1 on page 34 of MCG states that the minority shareholders shall have the right to nominate candidates for election to the Board during the Corporation's Annual Stockholders' Meetings, in accordance with the Corporation's By-laws.</p> <p>https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>Board Diversity in SEC Form 17-A (Annual Report) for 2023, pp. 42-43</p> <p>https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p>	
--	--	--	--

		DIS for 2023 ASM, p. 62 https://www.apcaragorn.net/wp-content/uploads/APC-DIS-2023_redacted.pdf	
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.	Compliant	<p>Identify the professional search firm used or other external sources of candidates</p> <p>Refer to Item 2.3.5 of page 12 of the MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>This is not applicable at the moment as there are no vacancies. The Company, however, may make use of professional search firms in the event of a vacancy in its Board of Directors, as per company policy and as practiced within the Belle Group, of which APC Group Inc. is an affiliate. In the case of Belle Corporation, it sought the assistance of the Institute of Corporate Directors for candidates who replaced one of its former independent directors.</p>	
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	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	Identify transactions that were approved pursuant to the policy.	

<p>3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.</p>	<p>Compliant</p>	<p>Refer to item 8.5 of page 30 and item 2.1.I of page 10 of MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>Refer to the company website links below for the Related Party Transactions Policies: https://www.apcaragorn.net/wp-content/uploads/APC-MRPT-Policy-12102020-WEBSITE.pdf</p> <p>Related Party Transactions under SEC Form 17-A (Annual Report) for 2023, Note 13 of the AFS, p. 27 of AFS https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p>	
<p>Supplement to Recommendations 2.7</p>			
<p>1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.</p>	<p>Compliant</p>	<p>Provide information on a materiality threshold for RPT disclosure and approval, if any.</p> <p>Provide information on RPT categories</p> <p>All related party transactions which are not in the usual course of business and which are equal or greater than the materiality threshold of Php50 million, shall be subject for review by the Related Party Transactions Committee. All other RPT which are considered usual course of business need not be reviewed by the RPT Committee. However, the RPT Committee may, at any time, ask for a review of any of the transactions. The Board of Directors reviews and approves</p>	

		<p>all material RPTs endorsed by the RPT Committee. All Board-approved material RPTs may be subject to ratification by a vote of the majority of the minority shareholders</p> <p>Refer to item 3.5.2 of page 24 of MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>Refer to the company website links below for the Material Related Party Transactions Policy: https://www.apcaragorn.net/wp-content/uploads/APC-MRPT-Policy-12102020-WEBSITE.pdf</p> <p>Related Party Transactions under SEC Form 17-A (Annual Report) for 2023, Item 13 of AFS, p. 27 https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</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.	Compliant	<p>Provide information on voting system, if any.</p> <p>All related party transactions which are not in the usual course of business and which are equal or greater than the materiality threshold of Php50 million, shall be subject for review by the Related Party Transactions Committee. All other RPT which are considered usual course of business need not be reviewed by the RPT Committee. The RPT Committee may, at any time, ask for a review of any of the transactions. The</p>	

		<p>Board of Directors reviews and approves all material RPTs endorsed by the RPT Committee. All Board-approved material RPTs may be subject to ratification by a vote of the majority of the minority shareholders</p> <p>Refer to item 3.6.3 of page 25 of MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>Please also refer to the Approval of the MRPTs in the Policy of MRPTs: https://www.apcaragorn.net/wp-content/uploads/APC-MRPT-Policy-12102020-WEBSITE.pdf</p>	
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>Refer to item 2.1.m of page 10 of MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>Identify the Management team appointed</p> <p>Refer to the Results of the 2023 Organizational Meeting https://www.apcaragorn.net/wp-content/uploads/Disclosure-on-Results-of-2023-Board-Organizational-Meeting-of-APC-Group-Inc.pdf</p>	

		<p>Refer to the company website link for the background and qualifications of APC's management team: https://www.apcaragorn.net/home/board-of-directors-management-team-and-executive-officers/</p>	
<p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	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>Refer to items 2.1.m and 2.1.n on page 10 of MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>SEC Form 17-A (Annual Report) for 2023, p. 38-39 https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p> <p>Provide information on the assessment process and indicate frequency of assessment of performance.</p> <p>Performances of management and personnel are assessed annually and implemented manually.</p> <p>The Board in Feb, 2023 and Feb. 2024, did self-assessments as well as appraised its individual members, Committees, Chairman, CEO, Chief Compliance Officer, Chief Risk Officer and Chief Audit Executive for the period 2022 and 2023, respectively.</p>	

		Board Evaluation Form for 2023 https://www.apcaragorn.net/wp-content/uploads/APC-Board-Eval-Form-2023-1.pdf	
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	Compliant	Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel. Refer to item 2.1.n on page 10 of MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant	Performances of management and personnel are assessed annually and implemented manually. Performance evaluation criteria includes accomplishment of defined goals in line with Company strategies and objectives as well as core values set out by the Company and its parent companies, among others. Code of Business Conduct and Ethics< Item III.D https://www.apcaragorn.net/corporate-governance/code-of-conduct-and-ethics/	
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Compliant	Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in	

<p>2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.</p>	<p>Compliant</p>	<p>place and what is included in the internal control system</p> <p>Refer to item 2.1.o on page 10 of MCG for board's responsibility over internal control system and item 12.1 on page 32 of MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>Audit Committee Charter https://www.apcaragorn.net/wp-content/uploads/APC-Audit-Committee-Charter-29feb24-1.pdf</p> <p>Internal Audit and Compliance skill for 2023 https://www.apcaragorn.net/wp-content/uploads/APC-2023-IA-and-Compliance-Attestation.pdf</p>	
<p>3. Board approves the Internal Audit Charter.</p>	<p>Compliant</p>	<p>Provide reference or link to the company's Internal Audit Charter</p> <p>The Board of Directors approved the Internal Audit Charter: https://www.apcaragorn.net/wp-content/uploads/APC-Aud-Committee-29feb24-IA-Charter.pdf</p> <p>Summary of 2023 Activities of the Board and its Committees https://www.apcaragorn.net/wp-content/uploads/APC-2023-Summary-of-Board-Activities-18may24.pdf</p> <p>The Audit Committee reviewed and approved its Charter, and the Internal</p>	

		Audit Charter on February 9, 2023, and February 29, 2024.	
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.	
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	<p>Provide proof of effectiveness of risk management strategies, if any.</p> <p>Refer to item 2.1.p on page 10 of MCG for board's responsibility over establishment of ERM and item 12.4 on page 33 of MCG for the ERM framework: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p><i>Provide proof of effectiveness of risk management strategies, if any.</i></p> <p>Refer to item 3.4 on pages 22-23 of MCG for the Risk Oversight Committee: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>The Enterprise Risk Management (ERM) matrices are prepared annually by the Company. This process includes identification, rationalization and assessment/prioritizing of risks. Development and implementation of risk management strategies then follow</p>	

		<p>which involve avoidance, reduction, transfer or acceptance.</p> <p>Thereafter, these are presented to the Management Committee for discussion. The Chief Risk Officer chairs the meetings and provides direction as necessary. The ERM matrices are then presented to the Risk Oversight Committee to ensure the integrity and quality of the Company's risk management system.</p> <p>The matrices used by the Company include the risks' descriptions and information on how they are mitigated. They are also categorized based on "Impact" and "likelihood of occurrence." Effectiveness of the strategies employed to manage the risk may be determined if the risk items from the previous year are considered "closed" or "moved to issue" or "open" with provisions on how they may be mitigated.</p> <p>The 2023 matrices were presented and discussed with the Risk Oversight Committee in November 2023.</p>	
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	Provide link to the company's website where the Board Charter is disclosed.	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant	<p>The Board Charter was reviewed and approved on February 9, 2023: https://www.apcaragorn.net/wp-content/uploads/APC-Board-Charter-2024.pdf</p>	
3. Board Charter is publicly available and posted on the company's website.	Compliant		

Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	Compliant	<p>Provide information on or link/reference to a document showing company's insider trading policy.</p> <p>Insider Trading Policy: https://www.apcaragorn.net/corporate-governance/company-policies/</p> <p>Code of Business Conduct and Ethics, Item II.B https://www.apcaragorn.net/corporate-governance/code-of-conduct-and-ethics/</p>	
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	<p>Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any.</p> <p>The Company's policy on Conflict of Interest item no. 5.5 states the following: The Company shall not extend loans to Directors and Officers unless these grants are conducted at arms-length basis and at prevailing market rates.</p> <p>Conflict of Interest Policy: https://www.apcaragorn.net/corporate-governance/company-policies/</p> <p>Conflict of Interest under the Code of Business Conduct and Ethics, Item III.G: https://www.apcaragorn.net/corporate-governance/code-of-conduct-and-ethics/</p>	

<p>2. Company discloses the types of decision requiring board of directors' approval.</p>	<p>Compliant</p>	<p>Indicate the types of decision requiring board of directors' approval and where there are disclosed.</p> <p>The Board is responsible for approving the amendments to the By-Laws and Articles of Incorporation, dividend declarations, audited financial statements, quarterly financial reports, annual corporate governance report, manual on corporate governance and code of business conduct and ethics, among others. These are regularly disclosed to the PSE and SEC.</p> <p>Quarterly financial reports may be viewed in the company website through the following link: https://www.apcaragorn.net/company-disclosures/sec-form-17-q-quarterly-report/ https://www.apcaragorn.net/wp-content/uploads/APC-17Q-Q3-2023-PSE-approved-for-website.pdf</p> <p>Matters approved by the Board in 2023 are also available in the company website through this link: Summary of 2023 Activities of the Board and its Committees https://www.apcaragorn.net/wp-content/uploads/APC-2023-Summary-of-Board-Activities-18may24.pdf</p>	
---	------------------	---	--

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

Recommendation 3.1

1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	<p>Provide information or link/reference to a document containing information on all the board committees established by the company.</p> <p>Refer to company website link below for the list of Company's board committees and its members: https://www.apcaragorn.net/home/board-committees-and-members/</p> <p>SEC Form 17A (Annual Report) for 2023, p. 40 https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p> <p>Definitive Information Statement for 2024 ASM, p. 59 https://www.apcaragorn.net/wp-content/uploads/APC-FINAL-2024-DIS-v22may24-for-PSE.pdf</p>	
---	-----------	--	--

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	<p>Provide information or link/reference to a document containing information on the Audit Committee, including its functions.</p> <p>Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.</p>	
--	-----------	--	--

		<p>Refer to Item 3.2 pages 18-20 of the MCG for the Audit Committee functions, duties and responsibilities https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>Refer to link below for the Audit Committee Charter: https://www.apcaragorn.net/wp-content/uploads/APC-Audit-Committee-Charter-29feb24-1.pdf</p> <p>During the June 22, 2023 ASM, the stockholders approved the appointment of Reyes Tacandong & Co. as the Corporation's external auditor for 2023.</p> <p>Results of the 2023 ASM, Item e, p. 2 of pdf https://www.apcaragorn.net/wp-content/uploads/Disclosure-on-Results-of-2023-ASM-of-APC-Group-Inc.pdf</p> <p>Draft Minutes of the June 22, 2023 ASM, Item VII, pp. 6-7 of pdf https://www.apcaragorn.net/wp-content/uploads/22-June-2023-Minutes-of-Stockholders-Meeting-draft2.pdf</p>	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	<p>Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.</p> <p>The Audit Committee Members appointed on June 22, 2023 are:</p>	

		<ol style="list-style-type: none"> 1. Rafael M. Alunan III (Chairman/ID) – independent, non-executive 2. Jerry C. Tiu (Member/ID) – independent, non-executive 3. Jackson T. Ongsip (Member/NED), non-executive Jackson T. Ongsip (Member) – non-executive <p>Profiles, Qualification, and Type of Directorship: https://www.apcaragorn.net/home/board-of-directors-management-team-and-executive-officers/</p> <p>DIS for the 2023 ASM, p. 15-17, 62 https://www.apcaragorn.net/wp-content/uploads/APC-DIS-2023_redacted.pdf</p>	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	<p>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.</p> <p>Members of Audit Committee:</p> <div style="background-color: #f0f0f0; padding: 5px;"> <p>Audit Committee Rafael M. Alunan III (ID), Chairman Jerry C. Tiu (ID) Jackson T. Ongsip (NED)</p> </div> <p>https://www.apcaragorn.net/home/board-committees-and-members/</p> <p>Background and Experience of Directors:</p>	

		https://www.apcaragorn.net/home/board-of-directors-management-team-and-executive-officers/ Board Diversity under SEC Form 17-A (Annual Report) for 2023, pp. 42-43 https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf DIS for the 2023 ASM, p.62 https://www.apcaragorn.net/wp-content/uploads/APC-DIS-2023_redacted.pdf	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	<p>Provide information or link/reference to a document containing information on the Chairman of the Audit Committee</p> <p>Following the June 22, 2023 Annual Stockholders' Meeting (ASM) and the Organizational Meeting thereafter, Mr. Rafael M. Alunan III, was appointed as the Audit Committee Chairman and Lead Independent Director. He is neither the Chairman of the Board nor of any other committee.</p> <p>Background and Experience of Directors, Mr. Rafael M. Alunan III: https://www.apcaragorn.net/home/board-of-directors-management-team-and-executive-officers/</p> <p>SEC Form 17-A (Annual Report) for 2023, pp 29-30 https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p>	

		<p>DIS for the 2023 ASM, pp.16-17 https://www.apcaragorn.net/wp-content/uploads/APC-DIS-2023_redacted.pdf</p> <p>Results of 2023 Organizational Board meeting: https://www.apcaragorn.net/wp-content/uploads/Disclosure-on-Results-of-2023-Board-Organizational-Meeting-of-APC-Group-Inc.pdf</p> <p>Members of Board Committees: https://www.apcaragorn.net/home/board-committees-and-members/</p>	
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	<p>Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.</p> <p>In 2023, there were no non-audit services conducted by the external auditors.</p> <p>DIS for the 2023 ASM, p. 23 https://www.apcaragorn.net/wp-content/uploads/APC-DIS-2023_redacted.pdf</p>	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	<p>Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.</p> <p>The External Auditors met with the Audit Committee in February 2023 and in February 2024.</p>	

Summary of 2023 Activities of the Board and its Committees
<https://www.apcaragorn.net/wp-content/uploads/APC-2023-Summary-of-Board-Activities-18may24.pdf>

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

The Company's Audit Committee conducted at least four (4) meetings in 2023.

2023 Audit Committee Meetings				
Audit Committee	9-Feb-23	20-Apr-23	3-Aug-23	9-Nov-23
Chairman (ID)	Alunan, Rafael M. III	Alunan, Rafael M. III	Alunan, Rafael M. III	Alunan, Rafael M. III
Member	Ortigas, Jackson T.	Ortigas, Jackson T.	Ortigas, Jackson T.	Ortigas, Jackson T.
Member (ID)	Tiu, Jerry C.	Tiu, Jerry C.	Tiu, Jerry C.	Tiu, Jerry C.

Attendance to 2023 Board Committee Meetings
<https://www.apcaragorn.net/wp-content/uploads/APC-2023-Meeting-Attendance-18may24.pdf>

Summary of 2023 Activities of the Board and its Committees (including NED meetings)
<https://www.apcaragorn.net/wp-content/uploads/APC-2023-Summary-of-Board-Activities-18may24.pdf>

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.

It is the Audit Committee's responsibility to recommend the appointment and removal of the company's internal auditor. Please refer to No. 5.3 on Page 3

		<p>the Audit Committee Charter https://www.apcaragorn.net/wp-content/uploads/APC-Audit-Committee-Charter-29feb24-1.pdf</p> <p>During the June 2023 ASM, Ms. Anna Josefina G. Esteban, was re-appointed as the Company's Chief Audit Executive.</p> <p>Results of the 2023 Organizational Meeting https://www.apcaragorn.net/wp-content/uploads/Disclosure-on-Results-of-2023-Board-Organizational-Meeting-of-APC-Group-Inc.pdf</p> <p>Summary of 2023 Activities of the Board and its Committees (including NED meetings) https://www.apcaragorn.net/wp-content/uploads/APC-2023-Summary-of-Board-Activities-18may24.pdf</p>	
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	<p>Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions</p> <p>Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.</p> <p>Corporate Governance Committee Charter: https://www.apcaragorn.net/wp-content/uploads/APC-CG-Committee-Charter-29feb24-1.pdf</p>	

		<p>The Corporate Governance Committee undertakes the process of identifying the quality of directors aligned with the Company's strategies. Refer to item 3.3.1.2 and 3.3.1.3 on page 20 of MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>During the April 2023 Corporate Governance Committee meeting, the nominees for election were pre-qualified and endorsed to the Board for approval to include the names in the Final List of nominees for election to the Board in June 2023.</p> <p>On May 7, 2024, the Corporate Governance Committee pre-qualified the nominees for election on June 28, 2024.</p> <p>Board Diversity in SEC Form 17-A (Annual Report) for 2023, pp. 42-43 https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p> <p>DIS for 2023 ASM, p.62 https://www.apcaragorn.net/wp-content/uploads/APC-DIS-2023_redacted.pdf</p>	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Non-compliant	<p>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.</p>	<p>The Company has 2 independent directors, and both are members of the Corporate Governance Committee.</p> <p>Despite this and since the Company is still in its pre-operating stage, the objective is still being</p>

			<p>achieved as the Corporate Governance Committee ensures that the Company is in good faith, with due diligence and care and in the best interest of the Company and all shareholders. The qualifications and credentials of the directors are very much satisfactory.</p> <p>Qualification and Type of Directorship: https://www.apcaragorn.net/home/board-of-directors-management-team-and-executive-officers/ </p>
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	<p>Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.</p> <p>The Chairman of the Corporate Governance Committee is Mr. Jerry C. Tiu, an Independent Director of the Company.</p> <p>Profile, Qualification, and Type of Directorships, Mr. Jerry C. Tiu: https://www.apcaragorn.net/home/board-of-directors-management-team-and-executive-officers/ </p> <p>SEC Form 17-A (Annual Report) for 2023, pp. 29-31 https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf </p> <p>DIS for 2023 ASM, p.17 https://www.apcaragorn.net/wp-content/uploads/APC-DIS-2023_redacted.pdf </p>	

		Results of the 2023 Organizational Board: https://www.apcaragorn.net/wp-content/uploads/Disclosure-on-Results-of-2023-Board-Organizational-Meeting-of-APC-Group-Inc.pdf																	
Optional: Recommendation 3.3.																			
1. Corporate Governance Committee meet at least twice during the year.	Compliant	<p>Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.</p> <p>The Corporate Governance Committee had at least three (3) meetings in 2023:</p> <table border="1"> <caption>2023 Corporate Governance Committee Meetings</caption> <thead> <tr> <th>Corporate Governance Committee</th><th>9-Feb-23</th><th>20-Apr-23</th><th>9-Nov-23</th></tr> </thead> <tbody> <tr> <td>Chairman (ID)</td><td>Jerry C. Tiu</td><td>Jerry C. Tiu</td><td>Jerry C. Tiu</td></tr> <tr> <td>Member (ID)</td><td>Alunan, Rafael M. III</td><td>Alunan, Rafael M. III</td><td>Alunan, Rafael M. III</td></tr> <tr> <td>Member</td><td>Onglip, Jackson T.</td><td>Onglip, Jackson T.</td><td>Onglip, Jackson T.</td></tr> </tbody> </table> <p>Summary of 2023 Activities of the Board and its Committees https://www.apcaragorn.net/wp-content/uploads/APC-2023-Summary-of-Board-Activities-18may24.pdf</p>	Corporate Governance Committee	9-Feb-23	20-Apr-23	9-Nov-23	Chairman (ID)	Jerry C. Tiu	Jerry C. Tiu	Jerry C. Tiu	Member (ID)	Alunan, Rafael M. III	Alunan, Rafael M. III	Alunan, Rafael M. III	Member	Onglip, Jackson T.	Onglip, Jackson T.	Onglip, Jackson T.	
Corporate Governance Committee	9-Feb-23	20-Apr-23	9-Nov-23																
Chairman (ID)	Jerry C. Tiu	Jerry C. Tiu	Jerry C. Tiu																
Member (ID)	Alunan, Rafael M. III	Alunan, Rafael M. III	Alunan, Rafael M. III																
Member	Onglip, Jackson T.	Onglip, Jackson T.	Onglip, Jackson T.																
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	<p>Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions</p> <p>Risk Oversight Committee (ROC) Charter: https://www.apcaragorn.net/wp-content/uploads/APC-RO-Committee-Charter-29feb24.pdf</p> <p>MCG as of November 2021, Item 3.4, pp. 22-23</p>																	

		https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf	
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	<p>Majority of the members of the ROC are independent directors. However, due to the limit in the number of independent directors, the Chairman of the Risk Management is not an independent director. Chairmanship of the Audit and CG Committees were accorded to its two independent directors. In addition, Mr. Jackson T. Ongsip, the Chairman of ROC, has a wide experience in Finance, Treasury and Controllershship, making him a qualified chair for the ROC.</p> <p>Qualification and Type of Directorship: https://www.apcaragorn.net/home/board-committees-and-members/</p>
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Compliant	<p>Provide information or link/reference to a document containing information on the Chairman of the BROC</p> <p>The Chairman of the ROC is Mr. Jackson T. Ongsip, who is not the Chairman of any other Committee, on the same day.</p> <p>Profiles, Qualifications, and Types of Directorships: https://www.apcaragorn.net/home/board-of-directors-management-team-and-executive-officers/</p> <p>SEC Form 17-A (Annual Report) for 2023, pp. 29-31 https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p>	

		<p>DIS for 2023 ASM, p.16 https://www.apcaragorn.net/wp-content/uploads/APC-DIS-2023_redacted.pdf</p>	
<p>4. At least one member of the BROOC has relevant thorough knowledge and experience on risk and risk management.</p>	Compliant	<p>Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROOC.</p> <p>Mr. Jackson T. Ongsip, the Chairman of ROC, has a wide experience in Finance, Treasury and Controllershship, making him a qualified chair/member for the ROC.</p> <p>Members of BROOC :</p> <p>Risk Oversight Committee</p> <p>Jackson T. Ongsip (NED), Chairman Jerry C. Tiu (ID) Rafael M. Alunan III (ID)</p> <p>Qualification and Type of Directorship: https://www.apcaragorn.net/home/board-of-directors-management-team-and-executive-officers/</p> <p>Board Diversity in SEC Form 17-A (Annual Report) for 2023, pp. 42-43 https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p> <p>DIS for 2023 ASM, pp.15-17, 62 https://www.apcaragorn.net/wp-content/uploads/APC-DIS-2023_redacted.pdf</p>	

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	<p>Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.</p> <p>Related Party Transactions Committee (RPT Com) Charter: https://www.apcaragorn.net/wp-content/uploads/APC-RPT-Committee-Charter-29feb24.pdf</p> <p>MCG as of November 2021, Item 3.5, pp. 23-24 https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p>	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant	<p>Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.</p> <p>Members of RPT Com:</p> <p>Related Party Transactions Committee</p> <p>Jerry C. Tiu (ID), Chairman Jackson T. Ongsip (NED) Rafael M. Alunan III (ID)</p> <p>Qualifications and type of directorship: https://www.apcaragorn.net/home/board-of-directors-management-team-and-executive-officers/</p>	
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.	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant	<p>Committee Charters of the Company: https://www.apcaragorn.net/home/board-committee-charters/</p> <p>MCG as of November 2021, item 3, pp. 17-25 https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p>	
3. Committee Charters were fully disclosed on the company's website.	Compliant	<p>Provide link to company's website where the Committee Charters are disclosed.</p> <p>Refer to the Committee Charters of the Company in the company website: https://www.apcaragorn.net/home/board-committee-charters/</p>	

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

Recommendation 4.1

1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	<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>	
---	-----------	---	--

		<p>Refer to item 2.7.1 on page 15 of MCG for the information on the process and procedure for tele/videoconferencing for board/committee meetings: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>If a Director is not able to personally attend the meeting, subject to the existing rules, he may be able to participate thru the use of modern technology such as but not limited to telephone or video conference. This is on the premise that said Director is able to participate actively in the discussions. Prior advice to the Corporate Secretary is required so arrangements for the tools for communication and recording that may be used may be made. Prior to the start of the actual meeting, it is important to determine if all Directors present can hear one another as well as the other participants who will present matters before the Board or Committee meetings.</p> <p>Refer to link below for the Board of Directors' meeting attendance, p. 38 of SEC Form 17-A for 2023: https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p> <p>Summary of 2023 Activities of the Board and its Committees</p>	
--	--	---	--

		https://www.apcaragorn.net/wp-content/uploads/APC-2023-Summary-of-Board-Activities-18may24.pdf APC BOD Attendance to Stockholders' Meetings: https://www.apcaragorn.net/wp-content/uploads/22-June-2023-Minutes-of-Stockholders-Meeting-draft2.pdf	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	<p>Please refer to the Company's MCG, No. 2.9.2, page 16: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>In addition, the minutes of the previous meetings as well as the agenda and materials of upcoming meetings are distributed to the directors in advance to give them ample time to review and prepare for the meeting. They come to the meetings prepared and ready, often with discussion questions in mind that they raise during the meetings.</p>	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	<p>Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors</p> <p>Please refer to the Company's MCG, No. 4.1 of page 25: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>All questions and clarifications are raised during committee and board meetings.</p>	

		<p>Discussions are lively and energetic, giving rise to several options and insights that help direct the Company's actions.</p> <p>Summary of 2023 Activities of the Board and its Committees https://www.apcaragorn.net/wp-content/uploads/APC-2023-Summary-of-Board-Activities-18may24.pdf</p>	
Recommendation 4.2			
<p>1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.</p>	Non-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 Please refer to Item 4.2, pages 25-26 of the MCG https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>Directorship in other Publicly-listed Companies</p> <p>SEC Form 17-A (Annual Report) for 2023, pp. 29-31 https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p> <p>DIS for 2023 ASM, pp. 15-17, 20-21 https://www.apcaragorn.net/wp-content/uploads/APC-DIS-2023_redacted.pdf</p>	<p>As of December 31, 2021, a non-executive Director, serves in more than five (5) publicly-listed companies. Nonetheless, the NED ensures a sufficient time to oversee each company and that all meetings of the Boards are attended.</p>

Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	Compliant	<p>Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.</p> <p>Item 4.2.2 on page 26 of MCG states that a director shall notify his incumbent Board thru the Corporate Governance Committee before accepting a directorship in another company. https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p><u>From January to December 2023, the incumbent directors have not accepted other directorships. They acknowledge that they will comply with the policy if it happens.</u></p>	
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	<p>Mr. Ian Jason R. Aguirre is the only executive director of the Company, who was elected as Director and appointed as President and CEO. He does not serve as a director in any other board of listed companies outside of the group.</p> <p>Types of directorships: https://www.apcaragorn.net/home/board-of-directors-management-team-and-executive-officers/</p>	
2. Company schedules board of directors' meetings before the start of the financial year.	Compliant	For the schedules of the 2023 Board and Committee meetings, this matter was taken up during the BOD meeting on November 2022, while the proposed 2024 meetings were taken up and approved in November 2023.	

		<p>Summary of 2023 Activities of the Board and its Committees https://www.apcaragorn.net/wp-content/uploads/APC-2023-Summary-of-Board-Activities-18may24.pdf</p> <p>MCG as of November 2021, Item 2.7.3, p.15: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p>																																																									
3. Board of directors meet at least six times during the year.	Compliant	<p>Indicate the number of board meetings during the year and provide proof</p> <p>APC Group Inc. held at least six (6) BOD meetings in 2023.</p> <div><p>Summary of 2023 Board of Directors' Meetings</p><table><tr><th>Board of Directors</th><th>9-Feb-23</th><th>20-Apr-23</th><th>22-Jun-23</th><th>22-Jun-23</th><th>9-Aug-23</th><th>9-Nov-23</th></tr><tr><td>Chair, Wiley</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Agarwal, Jan Jacob S.</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Alkham, Robert M. (R) (D)</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Chaplin, Jackson T.</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Tim, Edwards L.</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Thi, Henry C. (D)</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Thi, Virginia A.</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr></table><p>✓ Annual Shareholders' Meeting ✓ Board Organizational Meeting</p></div> <p>BOD Meeting Attendance of 2023 SEC Form 17-A, Page 41: https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p> <p>Summary of 2023 Activities of the Board and its Committees https://www.apcaragorn.net/wp-content/uploads/APC-2023-Summary-of-Board-Activities-18may24.pdf</p> <p>DIS for 2023 ASM, p.57 https://www.apcaragorn.net/wp-content/uploads/APC-DIS-2023_redacted.pdf</p>	Board of Directors	9-Feb-23	20-Apr-23	22-Jun-23	22-Jun-23	9-Aug-23	9-Nov-23	Chair, Wiley	✓	✓	✓	✓	✓	✓	Agarwal, Jan Jacob S.	✓	✓	✓	✓	✓	✓	Alkham, Robert M. (R) (D)	✓	✓	✓	✓	✓	✓	Chaplin, Jackson T.	✓	✓	✓	✓	✓	✓	Tim, Edwards L.	✓	✓	✓	✓	✓	✓	Thi, Henry C. (D)	✓	✓	✓	✓	✓	✓	Thi, Virginia A.	✓	✓	✓	✓	✓	✓	
Board of Directors	9-Feb-23	20-Apr-23	22-Jun-23	22-Jun-23	9-Aug-23	9-Nov-23																																																					
Chair, Wiley	✓	✓	✓	✓	✓	✓																																																					
Agarwal, Jan Jacob S.	✓	✓	✓	✓	✓	✓																																																					
Alkham, Robert M. (R) (D)	✓	✓	✓	✓	✓	✓																																																					
Chaplin, Jackson T.	✓	✓	✓	✓	✓	✓																																																					
Tim, Edwards L.	✓	✓	✓	✓	✓	✓																																																					
Thi, Henry C. (D)	✓	✓	✓	✓	✓	✓																																																					
Thi, Virginia A.	✓	✓	✓	✓	✓	✓																																																					

4. Company requires as minimum quorum of at least 2/3 for board decisions.	Compliant	<p>Indicate the required minimum quorum for board decisions</p> <p>Refer to Item 2.7.6 of page 15 of the Company's MCG. Presence of 2/3 of the directors are required to determine quorum of the meeting.</p> <p>https://www.apcaragom.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p>	
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	<p>Provide information or link/reference to a document containing information on the number of independent directors in the board</p>	<p>The Board is composed of 7 directors with 2 independent directors, pursuant to the requirements of the Revised Corporation Code.</p> <p>Despite this not having at least 3 independent directors, the Company's board endeavors to exercise objective and independent judgment on all corporate affairs. Moreover, each director contributes valuable inputs and brings to the table essential background and experience that propels the progress of the Company.</p> <p>The Company is considering possible options on how to be able to comply with this recommendation.</p>
Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	<p>Provide information or link/reference to a document containing information on the qualifications of the independent directors.</p>	

		<p>Refer to item 5.1.2 on pages 26-27 of MCG for the qualification of the Independent Directors: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>Refer to the Certifications of the Independent Directors in the</p> <p>DIS for 2023 ASM, pp. 74-77 of pdf https://www.apcaragorn.net/wp-content/uploads/APC-DIS-2023_redacted.pdf</p> <p>Article IV of the By-Laws: https://www.apcaragorn.net/wp-content/uploads/Amended-By-Laws.pdf</p> <p>Board Diversity in SEC Form 17-A (Annual Report) for 2023, pp. 42-43 https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p>	
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	<p>Provide link/reference to a document containing information that directors are not constrained to vote independently.</p> <p>APC Group Inc. has no shareholder agreements, or any provisions in the by-laws or in any agreements that states that there is a constraint on the ability to vote of the directors independently.</p>	
Recommendation 5.3			

<p>1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document showing the years IDs have served as such.</p> <p>The Company has two independent directors.</p> <p>Mr. Rafael M. Alunan and Mr. Jerry C. Tiu were re-elected during the ASM on June 22, 2023. Both have not served for a cumulative period of 9 years reckoned from 2012.</p> <p>DIS for 2023 ASM, pp. 16-17 https://www.apcaragorn.net/wp-content/uploads/APC-DIS-2023_redacted.pdf</p> <p>Item 9 of SEC Form 17-A (Annual Report) for 2023, pp. 30-31 https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p>	
<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director</p> <p>An Independent Director who has served on the Board for a maximum cumulative term of nine (9) years shall no longer be allowed to serve as an Independent Director.</p> <p>Refer to item 2.5.10 on page 14 of MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p>	

3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Compliant	<p>Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.</p> <p>The Company's Independent Directors as of 2023 have not served for more than 9 years, thus no justification nor approval from the shareholders were obtained in the Annual Stockholders' Meeting. In the future, if the board decides to retain an independent director in the same capacity, the board shall provide meritorious justification and shall seek shareholder approval during the ASM.</p>	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	<p>Identify the company's Chairman of the Board and Chief Executive Officer</p> <p>The Chairman of the Board is Mr. Willy N. Ocier, while the President and the CEO of the Company is Mr. Ian Jason R. Aguirre.</p> <p>Results of 2023 Organizational Meeting https://www.apcaragorn.net/wp-content/uploads/Disclosure-on-Results-of-2023-Board-Organizational-Meeting-of-APC-Group-Inc.pdf</p>	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	<p>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.</p> <p>Identify the relationship of Chairman and CEO.</p>	

		<p>Refer to item 2.2.1 on pages 10-11 and item 5.2 on pages 27-28 of MCG for the responsibilities of the Chairman and President/CEO, respectively: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>The positions of the Chairman and President and CEO are held by two separate individuals.</p> <p>During the June 2023 Organizational Meeting, Mr. Willy Ocier was appointed as Chairman, while Mr. Ian Jason Aguirre was appointed as President and CEO.</p> <p>Results of 2023 Organizational Meeting https://www.apcaragorn.net/wp-content/uploads/Disclosure-on-Results-of-2023-Board-Organizational-Meeting-of-APC-Group-Inc.pdf</p>	
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Compliant	<p>Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any.</p> <p>Indicate if Chairman is independent.</p> <p>The Chairman of the Board, Mr. Willy N. Ocier, is not an Independent Director.</p> <p>In the Organizational meeting held on June 22, 2023, Mr. Rafael M. Alunan III was re-appointed as the Lead Independent Director. Please refer to the results of the organizational meeting:</p>	

		<p>Results of 2023 Organizational Meeting https://www.apcaragorn.net/wp-content/uploads/Disclosure-on-Results-of-2023-Board-Organizational-Meeting-of-APC-Group-Inc.pdf</p> <p>Refer to item 5.3 on page 28 of MCG for the roles and responsibilities of the lead independent director: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p>	
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	<p>Provide proof of abstention, if this was the case</p> <p>Item 5.4 on page 28 of MCG states that a director with a material interest in any transaction affecting the Corporation shall abstain from taking part in the deliberations of the same. https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>Approval of MRPTs under the MRPT Policy: https://www.apcaragorn.net/wp-content/uploads/APC-MRPT-Policy-12102020-WEBSITE.pdf</p> <p>No transaction occurred during the year that required this. A policy is in place and shall be adhered to in case this happens.</p>	
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit,	Compliant	Provide proof and details of said meeting, if any.	

compliance and risk functions, without any executive present.		Provide information on the frequency and attendees of meetings.	
2. The meetings are chaired by the lead independent director.	Compliant	<p>Refer to item 5.5 on page 28 of MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>The non-executive directors (NEDs) held separate meetings in February 2023 and 2024 with the external auditor, Chief Audit Executive, Chief Risk Officer, without any executive present.</p> <p>The meetings in February 2023 and 2024 were chaired by Mr. Rafael M. Alunan III, the Company's Lead Independent Director.</p> <p>Summary of 2023 Activities of the Board and its Committees (including NED meetings in February) https://www.apcaragorn.net/wp-content/uploads/APC-2023-Summary-of-Board-Activities-18may24.pdf</p>	
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.	Compliant	<p>Provide name/s of company CEO for the past 2 years</p> <p>The current CEO, Mr. Ian Jason R. Aguirre, who was elected as a member of the Board on November 5, 2021. The previous CEO was Jackson T. Ongsip, who served as the CEO since 2016. There are no directors in the Company who served as CEO in the previous years.</p>	

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	
2. The Chairman conducts a self-assessment of his performance.	Compliant		
3. The individual members conduct a self-assessment of their performance.	Compliant		
4. Each committee conducts a self-assessment of its performance.	Compliant	<p>The Board conducts an annual self-assessment of its collective and individual performance, and that of the Board Committees, the Chairman, President, Chief Compliance Officer (CCO), Chief Risk Officer (CRO) and Chief Audit Executive (CAE).</p> <p>The 2023 and 2024 assessments of the Board, its members, Committees, Chairman, Chief Executive Office, Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive were done on within the first quarter of 2023 and 2024, respectively.</p> <p>View Form for 2023 Board Evaluations: https://www.apcaragom.net/wp-content/uploads/APC-Board-Eval-Form-2023-1.pdf</p> <p>Definitive Information Statement for 2024 ASM, p.57-58 https://www.apcaragom.net/wp-content/uploads/APC-FINAL-2024-DIS-v22may24-for-PSE.pdf</p>	
5. Every three years, the assessments are supported by an external facilitator.	Not Compliant	Identify the external facilitator and provide proof of use of an external facilitator.	Management will look into contracting an external facilitator in the ensuing year.
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	
2. The system allows for a feedback mechanism from the shareholders.	Compliant	<p>The Board assesses performance (both self-assessment and collective board rating) using the following criteria:</p> <ol style="list-style-type: none"> 1. Independence – the exercise of independent judgment and objectivity when viewing problems or situations. This also includes supporting plans and ideas which he/she believes are beneficial to the Company. 2. Leadership – the ability to provide sound advice, counsel and direction on the Company's plans and strategies. This includes leadership in directing the Company towards sustained progress over the long term. 3. Expertise – the grasp of a working knowledge of the statutory and regulatory requirements affecting the Company. This includes a firm knowledge of the requirements of regulatory agencies for the conduct of the Company's business. 4. Corporate governance – the ability act in the best interests of the Company, its shareholders and other stakeholders, in a manner characterized by transparency, accountability and fairness. He is responsible for ensuring the presence and adequacy of internal control mechanisms for good governance. 	

		<p>Directors are also asked to rate the information that they receive as a Board as well as the conduct of meetings and trainings.</p> <p>Refer to the criteria used for assessment: https://www.apcaragorn.net/wp-content/uploads/APC-Board-Eval-Form-2023-1.pdf</p> <p>The President, Chief Risk Officer, Compliance Officer and Chief Audit Officer are assessed based on leadership, integrity and diligence.</p> <p>In order to promote transparency and accountability, the Corporation has a dedicated contact information, where shareholders and stakeholders alike may communicate with the Board of Directors thru the Governance Department on concerns they may have.</p> <p>https://www.apcaragorn.net/contact-us/</p> <p>MICHELLE T. HERNANDEZ Chief Risk Officer and Stakeholders' Concerns Contact Email: michelle.hernandez@bellecorp.com Tel. No.: (632)8662.8888</p>	
--	--	---	--

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

Recommendation 7.1

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. Code of Business Conduct and Ethics: https://www.apcaragorn.net/corporate-governance/code-of-conduct-and-ethics/	
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. The Code of Business Conduct and Ethics is disseminated properly to the Board, senior management and employees upon entry into the Company. It is also uploaded to the Company website for easy reference. https://www.apcaragorn.net/corporate-governance/code-of-conduct-and-ethics/	
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. Code of Business Conduct and Ethics: https://www.apcaragorn.net/corporate-governance/code-of-conduct-and-ethics/	
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	

		<p>Acceptance of Gifts Policy: https://www.apcaragorn.net/corporate-governance/company-policies/</p> <p>This is further supported by the Company's Policy on Accountability, Integrity and Vigilance whereby employees are encouraged to report violations or suspected violations of the CBCE without fear of retaliation. https://www.apcaragorn.net/corporate-governance/company-policies/</p>	
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.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	<p>Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.</p> <p>The Company's Ethics Committee shall be accountable for the publication of the Code, ensure a confidential investigation is immediately undertaken to determine the veracity of the report, gather pertinent data and recommend appropriate sanctions.</p> <p>All directors, officers, employees and contract workers are expected to observe the Code of Business Conduct and Ethics (CBCE) at all times inside and outside the Company.</p>	

		<p>Since it was released, there are no reported violations of the Code of Business Conduct and Ethics. https://www.apcaragorn.net/corporate-governance/code-of-conduct-and-ethics/</p>	
Disclosure and Transparency			
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			
<p>1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.</p>	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 Refer to item 8 on pages 29-30 of MCG for the Company's disclosure policies and procedures: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>Policy on Company Disclosures https://www.apcaragorn.net/corporate-governance/company-policies/</p> <p>The DIS for the 2023 ASM was posted in the Company's website and PSE EDGE as a Company Report on May 25, 2023 or 28 days prior to the 2023 ASM.</p> <p>DIS for 2023 ASM https://www.apcaragorn.net/wp-content/uploads/APC-DIS-2023_redacted.pdf</p> <p>The DIS for the 2023 ASM was approved by the SEC on May 24, 2023. Distribution</p>	

		of the DIS for the 2023 ASM began on the same day. The same was posted in PSE EDGE as a Company Report on May 25, 2023.	
Supplement to Recommendations 8.1			
1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.	Compliant	<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>All interim reports are disclosed within forty-five (45) days from the end of the reporting period and the annual report is published within sixty (60) days from the end of the fiscal year:</p> <p>https://www.apcaragorn.net/company-disclosures/sec-form-17-q-quarterly-report/</p> <p>https://www.apcaragorn.net/company-disclosures/sec-form-17-a-annual-report/</p> <p>https://www.apcaragorn.net/wp-content/uploads/APC-MT-2023-AFS-29feb24-for-website-1.pdf</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.	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 	

		<p>3. any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p> <p>Annual Report (SEC Form 17A) for 2023, pp. 35-37 https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p> <p>The Company discloses in its DIS for 2023 ASM, p.13, the principal risks associated with the identity of the Company's shareholders, the degree of ownership concentration, cross-holdings among company affiliates and other pertinent information on equity position in the Company.</p> <p>https://www.apcaragorn.net/wp-content/uploads/APC-DIS-2023_redacted.pdf</p>	
Recommendation 8.2			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	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.	
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	<p>Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.</p> <p>Insider Trading Policy: https://www.apcaragorn.net/corporate-governance/company-policies/</p>	

		<p><i>Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.</i></p> <p>There are no actual dealings of directors involving the Company's shares during the year.</p> <p>Trading Summary of Directors DIS for 2023 ASM, p.63 https://www.apcaragorn.net/wp-content/uploads/APC-DIS-2023_redacted.pdf</p>	
Supplement to Recommendation 8.2			
<p>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).</p>	Compliant	<p>Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders.</p> <p>Provide link or reference to the company's Conglomerate Map.</p> <p>Public Ownership Report: https://www.apcaragorn.net/company-disclosures/other-disclosures/</p> <p>https://www.apcaragorn.net/wp-content/uploads/APC-POR-31dec23-for-website.pdf</p> <p>List of Top 100 Shareholders: https://www.apcaragorn.net/wp-content/uploads/APC-NOS-29feb24-for-website.pdf</p>	

		https://www.apcaragorn.net/company-disclosures/other-disclosures/ Conglomerate Map: https://www.apcaragorn.net/home/conglomerate-map/ DIS for 2023 ASM, pp. 13-14, 32 https://www.apcaragorn.net/wp-content/uploads/APC-DIS-2023_redacted.pdf	
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.	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	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. Academic qualifications and experiences of directors and key officers: https://www.apcaragorn.net/home/board-of-directors-management-team-and-executive-officers/ DIS for 2023 ASM, pp. 15-17, 19-20 https://www.apcaragorn.net/wp-content/uploads/APC-DIS-2023_redacted.pdf	

		<p>SEC Form 17-A (Annual Report) for 2023, pp.32, 42-43 https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p> <p>Relevant Trainings attended: https://www.apcaragorn.net/wp-content/uploads/APC-2023-trainings-all-D-and-O-for-website.pdf</p>	
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Compliant	<p>Disclose or provide link/reference to the company policy and practice for setting board remuneration</p> <p>Refer to Article IV Section 12 on page 5 of the Amended By-Laws: https://www.apcaragorn.net/wp-content/uploads/Amended-By-Laws.pdf</p> <p>Item 3.6.5 page 25 of the Company MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>DIS for 2023 ASM, p.22 https://www.apcaragorn.net/wp-content/uploads/APC-DIS-2023_redacted.pdf</p> <p>Each director is entitled to a per diem of P5,000 per board meeting attended to cover transportation expenses.</p> <p>The Company has a Compensation and Remuneration Committee that from time</p>	

		to time, recommends an increase in per diem that a director receives for attendance in Board and Committee meetings which the Board may approve should they find them just and reasonable. Any Director is prohibited from participating in discussions involving his own remuneration.	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	<p>Disclose or provide link/reference to the company policy and practice for determining executive remuneration</p> <p>Refer to Article VI Section 13 on page 7 of the Amended By-Laws: https://www.apcaragorn.net/wp-content/uploads/Amended-By-Laws.pdf</p> <p>Refer to item 2.1.j on page 9 and item 8.4 on page 30 of MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>The Compensation and Remuneration Committee recommends compensation scheme proposals for the CEO and Management Team, which the Board approves should they find them just and reasonable.</p>	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	<p>Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.</p> <p>Compensation of Directors under SEC Form 17-A for 2023, pp. 34-35</p>	

		https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf	
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	<p>Disclose or provide reference/link to company's RPT policies.</p> <p>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</p> <p>Please refer to: https://www.apcaragorn.net/corporate-governance/company-policies/</p> <p>Conflict of Interest Policy https://www.apcaragorn.net/corporate-governance/company-policies/</p> <p>Material Related Party Transactions (MRPT) Policy: https://www.apcaragorn.net/wp-content/uploads/APC-MRPT-Policy-12102020-WEBSITE.pdf</p> <p>There is no conflict of interest between a director and a particular transaction in 2023.</p>	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	<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; 	

		<ol style="list-style-type: none"> 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>Refer to Note 13, pp. 27 of AFS of the Consolidated Notes to the Financial Statements: https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p>	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	<p>Indicate where and when directors disclose their interests in transactions or any other conflict of interests.</p> <p>MRPT Policy: https://www.apcaragorn.net/wp-content/uploads/APC-MRPT-Policy-12102020-WEBSITE.pdf</p> <p>Conflict of Interest Policy https://www.apcaragorn.net/corporate-governance/company-policies/</p> <p>No director had conflict of interest with the related parties.</p>	
Optional : Recommendation 8.5			

<p>1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.</p>	<p>Compliant</p>	<p>Provide link or reference where this is disclosed, if any</p> <p>Refer to the Company's MCG, Item No. 2.1.I, page 10 https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>It states in SEC Form 17-A-Annual Report for 2023, p.40 that it is the Board and Related Party Transactions Committee's responsibility to ensure that the RPT are conducted at market rates and on an arms-length basis. https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p> <p>Conflict of Interest Policy: https://www.apcaragorn.net/corporate-governance/company-policies/</p>	
<p>Recommendation 8.6</p>			
<p>1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that 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>	<p>Compliant</p>	<p>Provide link or reference where this is disclosed</p> <p>Refer to item 8.6 on page 30 of MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>Corporate Disclosures of APC website: https://www.apcaragorn.net/corporate-governance/company-policies/#</p> <p>Corporate Disclosures Policy https://www.apcaragorn.net/corporate-governance/company-policies/</p>	

2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	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>Refer to item 8.6 on page 30 of MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p>	
Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Compliant	<p>Provide link or reference where these are disclosed.</p> <p>There are currently no shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.</p> <p>These shall be disclosed if and when the agreements materialize.</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.	
2. Company's MCG is submitted to the SEC and PSE.	Compliant	<p>MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p>	
3. Company's MCG is posted on its company website.	Compliant		

		<p>The Revised Manual on Corporate Governance was submitted to the SEC and PSE on November 8, 2021.</p> <p>https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>https://www.apcaragorn.net/wp-content/uploads/11052021-SEC-Acceptance-of-Revised-Manual-on-Corporate-Governance.pdf</p>	
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	<p>Provide proof of submission.</p> <p>Results of November 5, 2021 Board of Directors' Meeting, which includes disclosures on the amended MCG among others:</p> <p>https://www.apcaragorn.net/wp-content/uploads/11052021-SEC-Acceptance-of-Revised-Manual-on-Corporate-Governance.pdf</p>	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:		Provide link or reference to the company's Annual Report containing the said information.	
a. Corporate Objectives	Compliant	<p>SEC Form 17-A for 2023, Corporate Objectives, p. 41 of SEC Form 17A</p> <p>https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p> <p>SEC Form 17-A for 2023, Financial Performance Indicators, pp. 8-28 of SEC Form 17A</p>	
b. Financial performance indicators	Compliant		
c. Non-financial performance indicators	Compliant		
d. Dividend Policy	Compliant		
e. Biographical details (at least age, academic qualifications, date of first	Compliant		

appointment, relevant experience, and other directorships in listed companies) of all directors		https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf	
f. Attendance details of each director in all directors meetings held during the year	Compliant	SEC Form 17-A for 2023, Non-financial performance indicators: Sustainability Report, pp. 108-136 of pdf https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf	
g. Total remuneration of each member of the board of directors	Compliant	<p>SEC Form 17-A for 2023, Dividend policy: p.9 https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p> <p>Biographical details, pp. 29-31 https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p> <p>SEC Form 17-A for 2023, Attendance to meetings, p. 38 https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p> <p>Total remuneration: p. 35 https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p> <p>SEC Form 17-A for 2023 (Annual Report including the Board Attendance and Profiles, Dividend Policy and Non-financial Indicators in the Sustainability Report), pp.108-136 of pdf</p>	

		https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf SEC Form 17-Q (Quarterly Report) https://www.apcaragorn.net/company-disclosures/sec-form-17-q-quarterly-report/	
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.	Compliant	<p>Provide link or reference to where this is contained in the Annual Report</p> <p>Refer to Part IV-Corporate Governance of SEC Form 17-A for 2023, p. 42. https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p> <p>The Company remains committed to align and comply with the best corporate governance practices following the release of the 2016 Code of Corporate Governance for Publicly Listed Companies.</p>	
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	Compliant	<p>Provide link or reference to where this is contained in the Annual Report</p> <p>SEC Form 17-A for 2023, p. 40 https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p> <p>In November 2023, the Board of Directors, through the Risk Oversight Committee, has reviewed the Company's material controls and risk management system and has found the same effective and adequate.</p>	

4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	Compliant	<p>Provide link or reference to where this is contained in the Annual Report</p> <p>Sec Form 17-A for 2023, p. 40 https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p> <p>For 2023, the Board of Directors, through the Audit Committee, has reviewed the effectivity of Company's internal control system, including the information technology security controls. Effective and adequate internal control mechanisms were in place, implemented and properly complied with.</p> <p>SEC Form 17A for 2023, p. 40 https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</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).	Compliant	<p>Provide link or reference to where these are contained in the Annual Report</p> <p>The Company is exposed to credit risk, liquidity risk and equity price risk as disclosed in the Annual Report.</p> <p>Refer to note 18 of the Notes to the Financial Statements attached to the SEC Form 17-A for 2023, pp.32-34 of AFS https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p>	

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

Recommendation 9.1

<p>1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.</p>	<p>Compliant</p>	<p>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>The Audit Committee is in charge of recommending the appointment, reappointment, removal and fees of the Company's external auditor to the Board. The Board is then tasked to endorse the same to the shareholders during the ASM. The shareholders then approve the same via poll.</p> <p>The partners of the external auditor follow a rotation cycle to ensure the impartiality and integrity of reporting business results.</p> <p>Refer to item 5.4 of the Audit Committee Charter: https://www.apcaragorn.net/wp-content/uploads/APC-Audit-Committee-Charter-29feb24-1.pdf</p> <p>Refer to the Results of the ASM meeting last June 22, 2023 when the appointment of the external auditor was approved: https://www.apcaragorn.net/wp-content/uploads/Disclosure-on-Results-of-2023-ASM-of-APC-Group-Inc.pdf</p>	
<p>2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee,</p>	<p>Compliant</p>	<p>Indicate the percentage of shareholders that ratified the appointment,</p>	

approved by the Board and ratified by the shareholders.		<p>reappointment, removal and fees of the external auditor.</p> <p>In the Stockholders' Meeting held on June 22, 2023, Reyes Tacandong & Co. was voted as the Company's external auditor for YE 2023. This was ratified by the shareholders present in person or by proxy. Please refer to the link below for the 2023 Annual Stockholders' Meeting draft minutes: https://www.apcaragorn.net/wp-content/uploads/22-June-2023-Minutes-of-Stockholders-Meeting-draft2.pdf</p> <table><tr><th colspan="2">In Favor</th><th colspan="2">Against</th><th colspan="2">Abstain</th></tr><tr><th>No. of Shares</th><th>%</th><th>No. of Shares</th><th>%</th><th>No. of Shares</th><th>%</th></tr><tr><td>3,923,623,971</td><td>100%</td><td>0</td><td>0%</td><td>0</td><td>0%</td></tr></table> <p>Accordingly, the following resolution was passed and approved:</p> <p>"RESOLVED that Reyes Tacandong & Co. is appointed as the External Auditor of APC Group, Inc. for 2023, under such terms and conditions as may be approved by the Board."</p> <p>https://www.apcaragorn.net/wp-content/uploads/Disclosure-on-Results-of-2023-ASM-of-APC-Group-Inc.pdf</p>	In Favor		Against		Abstain		No. of Shares	%	No. of Shares	%	No. of Shares	%	3,923,623,971	100%	0	0%	0	0%	
In Favor		Against		Abstain																	
No. of Shares	%	No. of Shares	%	No. of Shares	%																
3,923,623,971	100%	0	0%	0	0%																
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant	<p>Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.</p> <p>Refer to 9.1.3 on pages 30-31 of MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p>																			
Supplement to Recommendation 9.1																					
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	Provide information on or link/reference to a document containing the policy of																			

		<p>rotating the lead audit partner every five years.</p> <p>The Corporation's external auditor shall be rotated or the handling partner shall be changed every five (5) years or earlier.</p> <p>Refer to item 9.1.5 on page 31 of MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf </p>	
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	<p>Provide link/reference to the company's Audit Committee Charter</p> <p>Audit Committee Charter: https://www.apcaragorn.net/wp-content/uploads/APC-Audit-Committee-Charter-29feb24-1.pdf </p>	
<p>2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	Compliant	<p>Provide link/reference to the company's Audit Committee Charter</p> <p>Audit Committee Charter: https://www.apcaragorn.net/wp-content/uploads/APC-Audit-Committee-Charter-29feb24-1.pdf </p>	
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</p>	Compliant	<p>Provide link/reference to the company's Audit Committee Charter</p>	

transactions, its counterparties, and valuations of such transactions.		Audit Committee Charter: https://www.apcaragorn.net/wp-content/uploads/APC-Audit-Committee-Charter-29feb24-1.pdf	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	Provide link/reference to the company's Audit Committee Charter Audit Committee Charter: https://www.apcaragorn.net/wp-content/uploads/APC-Audit-Committee-Charter-29feb24-1.pdf	
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. Refer to item 3.2.1.9 on page 19 of MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf The Company did not have non-audit services from the external auditors during the current year. Refer to Item 8 of SEC Form 17-A for 2023, p. 26 https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf	
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 Refer to item 3.2.1.9 on page 19 of MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf	

		<p>The Company did not have non-audit services from the external auditors during the current year.</p> <p>SEC Form 17-A for 2023, p. 26 https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p>	
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	<p>Provide information on audit and non-audit fees paid.</p> <p>Refer to External Audit Fees and Services of SEC Form 17-A for 2023, p. 26: https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p> <p>There were no non-audit services rendered in 2023.</p>	
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	<p>Provide information on company's external auditor, such as:</p> <ol style="list-style-type: none"> 1. Name of the audit engagement partner; 2. Accreditation number; 3. Date Accredited; 4. Expiry date of accreditation; and 5. Name, address, contact number of the audit firm. <p>Details of External Auditor:</p> <ol style="list-style-type: none"> 1. Audit Engagement Partner: Belinda B. Fernando 2. SEC Accreditation No.: PP201007009* 	

		<p><i>*Based on the Supreme Court decision dated January 27, 2023, the Supreme Court has declared the circulars issued by the SEC, requiring accreditation of Certified Public Accountants acting as external auditors of corporations issuing registered securities and possessing secondary licenses, as null and void.</i></p> <p>3. SEC Registration Date: May 6, 2010</p> <p>4. Expiry Date of accreditation: not applicable</p> <p>5. Audit Firm: Reyes Tacandong & Co. 11/F, 8741, Paseo de Roxas, Makati City 1226 Metro Manila, Philippines Tel: (632) 8982-9100</p> <p>Refer to link for the accreditation of the partner in the auditor's opinion in the SEC Form 17-A for 2023, pp.53-56 of pdf: https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf </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).	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>Reyes Tacandong & Co. has been subjected to SOAR inspection program conducted by the SEC's OGA last July 2023.</p>	

		Members of the engagement teams subjected to the inspection program were provided to the SEC during the inspection.	
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Compliant	<p>Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.</p> <p>The Corporate Governance Committee has been tasked by the Board to oversee the implementation of the sustainability framework, and periodically review the same to ensure it remains appropriate in consideration of the Company's size, complexity and business strategy, as well as business and regulatory environments. It shall also promote cooperation among other board committees to allow for an effective integration of sustainability-related issues reported to the Board. It also ensures that sustainability-related risks are managed effectively, and that the Company capitalizes on significant opportunities.</p> <p>Corporate Governance Committee Charter, Item 4.10-4.11, p.2</p> <p>https://www.apcaragorn.net/wp-content/uploads/APC-CG-Committee-Charter-29feb24-1.pdf</p>	

		<p>Refer to item 10 of page 31 of MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>Corporate Disclosures in APC website: https://www.apcaragorn.net/corporate-governance/company-policies/</p> <p>Sustainability Report in SEC Form 17-A for 2023 (Annual Report), Schedule A, pp. 108-136: https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p>	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	<p>Provide link to Sustainability Report, if any. Disclose the standards used.</p> <p>Please refer to the SEC Form 17-A for 2023 (Annual Report and Sustainability Report, Schedule A, pp. 108-136):</p> <p>https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p> <p>Sustainability Report for 2023 made use of the SEC template using the GRI standard. It was approved in February 29, 2024.</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>			
1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public,	Compliant	Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media	

material and relevant information to its shareholders and other investors.		<p>briefings /press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any.</p> <p>Please refer to the following links for the Company's website, and annual, quarterly and current reports: https://www.apcaragorn.net/</p> <p>Annual Reports https://www.apcaragorn.net/company-disclosures/sec-form-17-a-annual-report/</p> <p>Quarterly Reports https://www.apcaragorn.net/company-disclosures/sec-form-17-q-quarterly-report/</p> <p>Current Reports https://www.apcaragorn.net/company-disclosures/sec-form-17-c-current-report/</p>	
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:		Provide link to company website https://www.apcaragorn.net/	
a. Financial statements/reports (latest quarterly)	Compliant	<p>Quarterly Reports https://www.apcaragorn.net/company-disclosures/sec-form-17-q-quarterly-report/</p> <p>Annual Reports https://www.apcaragorn.net/company-disclosures/sec-form-17-a-annual-report/</p> <p>Notices of Meetings https://www.apcaragorn.net/wp-content/uploads/SEC-Form-17-C-APC-Notice-of-ASM-2023.pdf</p>	
b. Materials provided in briefings to analysts and media	Non-compliant		The Company uses other means of disseminating information like quarterly financial statements, annual report and SEC form 20-IS. The Company's website and disclosures to PSE are the Company's means of disseminating information and that is cost-efficient for the Company.
c. Downloadable annual report	Compliant		
d. Notice of ASM and/or SSM	Compliant		
e. Minutes of ASM and/or SSM	Compliant		
f. Company's Articles of Incorporation and By-Laws	Compliant		

		https://www.apcaragorn.net/investor-relations/notice-of-meetings/ Minutes of Meetings https://www.apcaragorn.net/investor-relations/minutes-of-meetings/ Articles of Incorporation and By Laws https://www.apcaragorn.net/home/articles-of-incorporation-and-by-laws/	
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	Compliant	The Company is in compliance with SEC Memorandum Circular No. 11, Series of 2014. https://www.apcaragorn.net/	
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	<p>List quality service programs for the internal audit functions.</p> <p>Indicate frequency of review of the internal control system</p> <p>The scope of work of Internal Audit is to determine whether the company's network of risk management, control, and corporate governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure:</p> <ul style="list-style-type: none"> • Risks are appropriately identified and managed. • Interaction with the various corporate governance groups occurs as needed. 	

		<ul style="list-style-type: none"> • Significant financial, managerial, and operating information are accurate, reliable, and timely. • Employee's actions are in compliance with policies, standards, procedures and applicable laws and regulations. • Assets and resources are economically acquired, efficiently used, and adequately protected. • Programs, plans, and objectives are achieved. • Quality and continuous improvement are fostered in the control processes of the Company. • Significant legislative or regulatory issues impacting the Company are recognized and addressed appropriately. <p>Refer to items 12.1-12.3 on pages 31-32 of MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>The Audit Committee reviews annually the effectiveness of the Company's internal control system, including information technology security and controls.</p> <p>The Internal Audit reviews the controls of the company on an ongoing basis.</p>	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	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>Refer to item 12.4 of page 33 of the MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>The Risk Oversight Committee reviews annually the effectiveness and adequacy of the Company's risk management system. The last review with the Risk Oversight Committee was on November 9, 2023, which was presented to the Board thereafter.</p>	
Supplement to Recommendations 12.1			
<ol style="list-style-type: none"> 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. 	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>The Compliance Officer is constantly in coordination with the Legal Counsel and the Corporate Secretary, Governance Dept., Finance Dept. and external auditors to keep abreast with relevant laws and regulations. New issuances are</p>	

		<p>circulated to all affected departments to ensure the Company's compliance.</p> <p>The review of compliance is done annually.</p> <p>MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</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.</p>	Compliant	<p>Provide information on IT governance process</p> <p>With the current business environment, Information Technology risks are ever increasing. These cover unauthorized access to confidential data, loss or release of critical information, corruption of data, regulatory violations, and possible increase in costs and inefficiencies.</p> <p>In order to address these risks, APC may adapt a co-location arrangement with redundant capability and automatic fail-over set-up for disaster recovery. It continues to implement enterprise security solutions to manage external and internal threats. Annual review of technology roadmap to ensure the alignment between the business and information technology is performed.</p> <p>Summary of 2023 Activities of the Board and its Committees</p>	

		https://www.apcaragorn.net/wp-content/uploads/APC-2023-Summary-of-Board-Activities-18may24.pdf The Board through the Risk Oversight Committee ensures that IT issues such as disruption, cybersecurity, and other disaster recovery are discussed and corresponding action plans are specified to mitigate the risks identified.	
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 internal audit function is in-house.	
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. The Company's Internal Audit Head is Anna Josefina G. Esteban. Internal Audit Charter, Item IV https://www.apcaragorn.net/wp-content/uploads/APC-Aud-Committee-29feb24-IA-Charter.pdf Results of the 2023 Organizational Meeting https://www.apcaragorn.net/wp-content/uploads/Disclosure-on-Results-of-2023-Board-Organizational-Meeting-of-APC-Group-Inc.pdf	

		Refer to item 5 of the Internal Audit Charter for the responsibilities of the CAE/Internal Audit Head: https://www.apcaragorn.net/wp-content/uploads/APC-Aud-Committee-29feb24-IA-Charter.pdf	
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	<p>The CAE oversees the internal audit activity of the organization. The CAE ensures that the internal audit activity remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner.</p> <p>There is no outsourced internal audit activity.</p> <p>Refer to item 5 of the Internal Audit Charter for the responsibilities of the CAE/Internal Audit Head: https://www.apcaragorn.net/wp-content/uploads/APC-Aud-Committee-29feb24-IA-Charter.pdf</p>	
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	<p>Identify qualified independent executive or senior management personnel, if applicable.</p> <p>Not applicable as there is no internal audit activity being outsourced.</p>	
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	<p>Provide information on company's risk management function.</p> <p>Risk Oversight Committee Charter:</p>	

		https://www.apcaragorn.net/wp-content/uploads/APC-RO-Committee-Charter-29feb24.pdf MCG , pp.22-23: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf	
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	Compliant	<p>Identify source of external technical support, if any.</p> <p>The Chief Risk Officer shall seek external technical support if and when required.</p> <p>Risk Oversight Committee Charter: https://www.apcaragorn.net/wp-content/uploads/APC-RO-Committee-Charter-29feb24.pdf </p>	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	<p>Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.</p> <p>Ms. Michele Angeli T. Hernandez was appointed as the CRO during the Organizational meeting held on June 22, 2023: https://www.apcaragorn.net/wp-content/uploads/Disclosure-on-Results-of-2023-Board-Organizational-Meeting-of-APC-Group-Inc.pdf </p> <p>Refer to link below for the information about the Company's CRO:</p>	

		https://www.apcaragorn.net/home/board-of-directors-management-team-and-executive-officers/ Refer to item 12.5 on page 33 of MCG for the responsibilities of the CRO. https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant	Ms. Hernandez has adequate authority stature and resources which allow them to fulfil their responsibilities. https://www.apcaragorn.net/home/board-of-directors-management-team-and-executive-officers/	
Additional Recommendation to Principle 12			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Compliant	Provide link to CEO and CAE's attestation Internal Audit and Compliance Attestation: https://www.apcaragorn.net/wp-content/uploads/APC-2023-IA-and-Compliance-Attestation.pdf	
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed. Refer to item 13.4 on pages 34-37 of MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf	

2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Provide link to company's website Refer to item 13.4 on pages 34-37 of MCG : https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	Compliant	Article III Section 7 of By-Laws states that each stockholder shall have one vote for each share of stock. https://www.apcaragorn.net/wp-content/uploads/Amended-By-Laws.pdf Voting Procedures of the DIS for 2023 ASM, pp. 65-66 of pdf https://www.apcaragorn.net/wp-content/uploads/APC-DIS-2023_redacted.pdf	
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. The Company has common shares and preferred shares. Please refer to Article 7 of page 6 of the Articles of Incorporation for the designation and powers, preferences and rights, conversions, limitations, or restrictions in respect of each class of stock. https://www.apcaragorn.net/wp-content/uploads/AOI-2014.pdf MCG , item 13.4.1, pp. 34-37 https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf	

3. Board has an effective, secure, and efficient voting system.	Compliant	<p>Provide link to voting procedure. Indicate if voting is by poll or show of hands.</p> <p>Article III Section 7 of By-Laws states that the vote on any question need not be by ballot. On a vote by ballot, each ballot shall be signed by the stockholder voting, or in his name by proxy if there be such proxy and shall state the number of shares voted by him.</p> <p>https://www.apcaragorn.net/wp-content/uploads/Amended-By-Laws.pdf</p> <p>Refer to item 18. Voting Procedures of the DIS for 2023 ASM, Annex A, pp. 65-66 of pdf</p> <p>https://www.apcaragorn.net/wp-content/uploads/APC-DIS-2023_redacted.pdf</p>	
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	<p>Provide information on shareholder voting mechanisms such as supermajority or "majority of minority", if any.</p> <p>Cumulative voting process is in place</p> <p>Voting Procedures of the</p> <p>DIS for 2023 ASM, Annex A, pp.65-66 of pdf</p> <p>https://www.apcaragorn.net/wp-content/uploads/APC-DIS-2023_redacted.pdf</p>	
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Compliant	<p>Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution)</p>	

		<p>Refer to Article III Section 3 of the By-Laws for special meetings called by the stockholders: https://www.apcaragorn.net/wp-content/uploads/Amended-By-Laws.pdf</p> <p>MCG , item 13.4.4.4, p. 36 https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>The minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided items are for legitimate business purposes, and in accordance with law, jurisprudence and best practice.</p> <p>There were no special shareholders' meetings proposed during the year.</p>	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	<p>Provide information or link/reference to the policies on treatment of minority shareholders</p> <p>Refer to item 13.4 on pages 34-37 of MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p>	
7. Company has a transparent and specific dividend policy.	Compliant	<p>Provide information on or link/reference to the company's dividend Policy.</p> <p>MCG, Item 13.4.5, p. 36 https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p>	

		<p>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</p> <p>Refer to dividend disclosures of the</p> <p>DIS for 2023 ASM, p.32 https://www.apcaragorn.net/wp-content/uploads/APC-DIS-2023_redacted.pdf</p> <p>The Company has not declared any dividends on common stock since the time it was incorporated. The Company is not in a position to declare cash dividends because of its deficit.</p>	
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	Compliant	<p>Identify the independent party that counted/validated the votes at the ASM, if any.</p> <p>Ms. Cristina Castro Naguit was engaged as independent party vote validator for 2023 ASM.</p> <p>Minutes (draft) of 2023 ASM: https://www.apcaragorn.net/wp-content/uploads/22-June-2023-Minutes-of-Stockholders-Meeting-draft2.pdf</p>	
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual	Compliant	Indicate the number of days before the annual stockholders' meeting or special	

<p>and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.</p>		<p>stockholders' meeting when the notice and agenda were sent out</p> <p>The ASM notice for its June 22, 2023 meeting was published on the Company's website on May 25, 2023, or 28 days days prior the ASM.</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-IS)</p> <p>Please refer to the Notice and Agenda of the Annual Stockholders' Meeting.</p> <p>All acts of the Board and Board Committees which included the recommendations of the Compensation and Remuneration Committee were approved during the June 2023 ASM. Please refer to Agenda Item No. 5.</p> <p>DIS for 2023 ASM https://www.apcaragorn.net/wp-content/uploads/APC-DIS-2023_redacted.pdf</p>	
Supplemental to Recommendation 13.2			
<p>1. Company's Notice of Annual Stockholders' Meeting contains the following information:</p>		<p>Provide link or reference to the company's notice of Annual Shareholders' Meeting https://www.apcaragorn.net/investor-relations/notice-of-meetings/</p>	

		https://www.apcaragorn.net/wp-content/uploads/SEC-Form-17-C-APC-Notice-of-ASM-2023.pdf	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant	Please refer to the Notice, Agenda, and Proxy Form, Special Power of Attorney, Secretary's Certificate of the	
b. Auditors seeking appointment/re-appointment	Compliant	DIS for 2023 ASM, pp. 2-6 https://www.apcaragorn.net/wp-content/uploads/APC-DIS-2023_redacted.pdf	
c. Proxy documents	Compliant		
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	Compliant	Provide link or reference to the rationale for the agenda items Please refer to the rationale of ASM Agenda items of the DIS for 2023 ASM, p. 3 https://www.apcaragorn.net/wp-content/uploads/APC-DIS-2023_redacted.pdf	
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	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. Results/Minutes of 2023 ASM, pp. 6-7 of pdf: https://www.apcaragorn.net/wp-content/uploads/22-June-2023-Minutes-of-Stockholders-Meeting-draft2.pdf	

<p>2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.</p>	<p>Compliant</p>	<p>Provide link to minutes of meeting in the company website.</p> <p>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.</p> <p>Please refer to pp. 3, 5, 6 for the voting results https://www.apcaragorn.net/wp-content/uploads/22-June-2023-Minutes-of-Stockholders-Meeting-draft2.pdf</p> <p>Indicate also if the voting on resolutions was by poll.</p> <p>Voting was by poll.</p> <p>Include whether there was opportunity to ask question and the answers given, if any</p> <p>Results/Minutes of Annual Stockholders' Meeting, pp. 6-7 of pdf for the Q&A portion of the 2023 ASM: https://www.apcaragorn.net/wp-content/uploads/22-June-2023-Minutes-of-Stockholders-Meeting-draft2.pdf</p> <p>https://www.apcaragorn.net/investor-relations/minutes-of-meetings/</p>	
<p>Supplement to Recommendation 13.3</p>			
<p>1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.</p>	<p>Compliant</p>	<p>Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting</p> <p>The external auditors, directors and relevant officials such as the Corporate</p>	

		<p>Secretary, Chief Audit Executive and Controller are present during the ASM to answer any questions that may be posed.</p> <p>Results/Minutes of 2022 Annual Stockholders' Meeting, p. 1 of pdf: https://www.apcaragorn.net/wp-content/uploads/22-June-2023-Minutes-of-Stockholders-Meeting-draft2.pdf</p> <p>Ms. Cristina Castro Naguit was present during the June 22, 2023 ASM.</p> <p>https://www.apcaragorn.net/investor-relations/minutes-of-meetings/</p>	
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	<p>Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes</p> <p>Refer to item 13.5 of page 37 of MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p>	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	<p>Provide link/reference to where it is found in the Manual on Corporate Governance</p> <p>Refer to item 13.5 of page 37 of MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p>	
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	Disclose the contact details of the officer/office responsible for investor relations, such as:	

		1. Name of the person 2. Telephone number 3. Fax number 4. E-mail address MICHELLE T. HERNANDEZ Chief Risk Officer and Stakeholders' Concerns Contact Email: michelle.hernandez@bellecorp.com Tel. No.: (632)8662.8888 https://www.apcaragorn.net/home/board-of-directors-management-team-and-executive-officers/	
2. IRO is present at every shareholder's meeting.	Compliant	Indicate if the IRO was present during the ASM. Draft Minutes of 2023 ASM, p.1: https://www.apcaragorn.net/wp-content/uploads/22-June-2023-Minutes-of-Stockholders-Meeting-draft2.pdf Michelle Hernandez who is the contact for Stakeholders' Concerns was present during the 2023 ASM.	
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. The Company has no anti-takeover measures or similar devices that may entrench ineffective management or existing controlling shareholder group.	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Compliant	Indicate the company's public float.	

		The Company's public float as of December 31, 2023 is 51.11% https://www.apcaragorn.net/wp-content/uploads/APC-POR-31dec23-for-website.pdf	
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	Compliant	<p>Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM</p> <p>Refer to item 13 on pages 34-37 of MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>The Company has indicated in its corporate website the contact information of those in charge of Investor Relations and Shareholders' Concerns whom the shareholders may get in touch with.</p> <p>MICHELLE T. HERNANDEZ Chief Risk Officer and Stakeholders' Concerns Contact Email: michelle.hernandez@bellecorp.com Tel. No.: (632)8662.8888</p> <p>The Company website also has a "Contact Us" section which allows the shareholders to communicate their requests such as but not limited to updating contact information, transfer of ownership due to shareholder's death, and the like.</p>	

		https://www.apcaragorn.net/contact-us/	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	Compliant	<p>Disclose the process and procedure for secure electronic voting in absentia, if any.</p> <p>Please refer to ASM e-voting procedure under the DIS for 2023 ASM, pp. 65-66 of pdf https://www.apcaragorn.net/wp-content/uploads/APC-DIS-2023_redacted.pdf</p>	
Duties to Stakeholders			
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	<p>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.</p> <p>Refer to item 14-16 on pages 37-38 of MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>Refer to the Company's Code of Business Conduct and Ethics: https://www.apcaragorn.net/corporate-governance/code-of-conduct-and-ethics/</p> <p>Corporate Social Responsibility: https://www.apcaragorn.net/inclusive-stakeholders-engagement/corporate-social-responsibility/</p>	

		<p>Sustainability Report under SEC Form 17-A for 2023, Schedule A, pp. 108-136 of pdf)</p> <p>https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p>	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	<p>Identify policies and programs for the protection and fair treatment of company's stakeholders</p> <p>Refer to item 14.2 in page 38 of the MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>Refer to the Company's Code of Business Conduct and Ethics: https://www.apcaragorn.net/corporate-governance/code-of-conduct-and-ethics/</p>	
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	<p>Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights.</p> <p>Provide information on whistleblowing policy, practices and procedures for stakeholders</p> <p>Stakeholders' Concerns Contact: Name: Michelle T. Hernandez Email: michelle.hernandez@bellecorp.com</p>	

		<p>Tel. No.: (632)8662-8888 https://www.apcaragorn.net/contact-us/</p> <p>The Company uses a whistle-blowing policy, which employees, customers, shareholders and stakeholders can make use of to report questionable activities, unethical conduct, fraud or malpractice by mail, phone or electronic mail in strictest confidentiality to allay fears of retaliation. The Company's Head of Corporate Governance (CG) shall establish the materiality and validity of all whistle-blower reports. Reports may also be submitted to any Department Head of the Company. The Head of CG shall endorse the report to the Ethics Committee (Management level) for further investigation if the report is deemed well-substantiated. On the other hand, if the report is deemed unsupported, the Head of CG shall inform the whistleblower of the status of the report within 24 hours from receipt of the assessment. All disclosures, statuses and resolutions shall be regularly reported to the CG Committee.</p> <p>Refer to link below for the whistleblowing policy: https://www.apcaragorn.net/corporate-governance/company-policies/</p>	
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.	

		<p>Refer to item 13.5 on page 37 of MCG: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>Refer to the link below for the policy on Alternative Dispute Resolution System https://www.apcaragorn.net/corporate-governance/company-policies/</p>	
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	<p>Disclose any requests for exemption by the company and the reason for the request.</p> <p>The Company adheres to the applicable laws, rule and regulations for domestic corporations incorporated in the Philippines. The Company does not seek exemption to the rule.</p>	
2. Company respects intellectual property rights.	Compliant	<p>Provide specific instances, if any.</p> <p>The Company keeps confidential any and all third-party knowledge and trade secrets that it comes across in its dealings with suppliers, contractors and service providers.</p>	
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	Compliant	<p>Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same.</p> <p>Refer to item III.C of the Code of Business Conduct and Ethics:</p>	

		https://www.apcaragorn.net/corporate-governance/code-of-conduct-and-ethics/	
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Compliant	<p>Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same.</p> <p>Refer to the link below for the policy on Vendor Accreditation and Selection and Purchase of Goods and Services</p> <p>https://www.apcaragorn.net/corporate-governance/company-policies/</p>	
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			
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	<p>Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.</p> <p>Refer to item 15 of page 38 of the MCG:</p> <p>https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>Code of Business Conduct and Ethics:</p> <p>https://www.apcaragorn.net/corporate-governance/code-of-conduct-and-ethics/</p>	
Supplement to Recommendation 15.1			
1. Company has a reward/compensation policy that accounts for the performance of the	Non-compliant	Disclose if company has in place a merit-based performance incentive	On an annual basis, performance is measured against defined targets, which are based on

company beyond short-term financial measures.		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.	both financial and nonfinancial indicators of progress towards the short and long-term goals of the Company. Employee compensation and rewards are determined based on the individual performance of the employee and overall Company performance.
2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	<p>Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any.</p> <p>Refer to item3(D) of Code of Business Conduct and Ethics for the Employees Welfare: https://www.apcaragorn.net/corporate-governance/code-of-conduct-and-ethics/</p> <p>Refer to the link below for the Employees' Health, Safety and Welfare Policy: https://www.apcaragorn.net/corporate-governance/company-policies/</p> <p>Sustainability Report under SEC Form 17-A for 2023, Schedule A, pp. 108-136 of pdf: https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p>	
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.	

		<p>Refer to item 4.3 of the Employees' Safety, Health and Welfare Policy https://www.apcaragorn.net/corporate-governance/company-policies/</p> <p>The Company's employees are given training allowance yearly. Those who have professional license are encouraged to earn its required Continuing Professional Development units.</p> <p>Refer to item3(D) of Code of Business Conduct and Ethics for the Employees Welfare: https://www.apcaragorn.net/corporate-governance/code-of-conduct-and-ethics/</p>	
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	<p>Identify or provide link/reference to the company's policies, programs and practices on anti-corruption</p> <p>Refer to item I of the Code of Business Conduct and Ethics: https://www.apcaragorn.net/corporate-governance/code-of-conduct-and-ethics/</p> <p>Accountability, Integrity Vigilance (Whistle Blowing Policy) https://www.apcaragorn.net/corporate-governance/company-policies/</p> <p>Manual on Corporate Governance, p. 38: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p>	

<p>2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.</p>	<p>Compliant</p>	<p>Identify how the board disseminated the policy and program to employees across the organization</p> <p>Policies and programs of the Company are disseminated during the orientation of the employees and if there were changes in the policy.</p> <p>Code of Business Conduct and Ethics and other Company policies are available in the Company's website. https://www.apcaragorn.net/corporate-governance/code-of-conduct-and-ethics/</p> <p>MCG, page 38 https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p>	
<p>Supplement to Recommendation 15.2</p>			
<p>1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.</p>	<p>Compliant</p>	<p>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>Refer to the Policy on Acceptance of Gifts: https://www.apcaragorn.net/corporate-governance/company-policies/</p> <p>Code of Business Conduct and Ethics and other Company policies are available in the Company's website.</p>	

		https://www.apcaragorn.net/corporate-governance/code-of-conduct-and-ethics/ Conflict of Interest https://www.apcaragorn.net/corporate-governance/company-policies/ During the year, there were no identified violation on the said policy.	
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Compliant	Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees. Indicate if the framework includes procedures to protect the employees from retaliation. Provide contact details to report any illegal or unethical behavior. Refer to Accountability Integrity and Vigilance Policy : https://www.apcaragorn.net/corporate-governance/company-policies/ Code of Business Conduct and Ethics and other Company policies are available in the Company's website. https://www.apcaragorn.net/corporate-governance/code-of-conduct-and-ethics/ Under Guidelines 5.3 of the Accountability Integrity and Vigilance Policy, the Company expressly disapproves the acts of retaliation, intimidation and other harmful actions.	

		<p>Anyone who is in good faith reports a violation of the policy, shall not be retaliated upon or suffer harassment or adverse employment consequence.</p> <p>Violations or suspected violations can be escalated to any of the following members of the Ethics Committee:</p> <ul style="list-style-type: none"> Admin Officer Chief Audit Executive Compliance Officer President <p>Address: 5th Floor Tower A, Two E-Com Center, Palm Coast Avenue, Mall of Asia Complex, Pasay City</p> <p>Tel. No.: 86628888</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.	Compliant	<p>Accountability Integrity and Vigilance Policy: https://www.apcaragorn.net/corporate-governance/company-policies/</p> <p>The Code of Business Conduct and Ethics and other relevant rules and regulations shall serve as guide in determining the penalties and sanctions to be imposed by Human Resources. The principle of due process shall be observed when handling such cases.</p> <p>The Corporate Governance Committee, as it is in charge of monitoring compliance with the CBCE, applicable laws, rules and regulations, shall be informed of such complaints or reports and their status to be rendered by the Ethics Committee which is tasked to</p>	

		further investigate reports if such are well substantiated.	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	<p>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.</p> <p>The Board through the Corporate Governance Committee thru the Ethics Committee supervises and ensures enforcement of the whistle-blowing framework.</p> <p>Reports of violation are sent to the Ethics Committee, which is tasked to conduct investigations of the said allegation. It has also been mandated to acknowledge reports within a reasonable period of time. All reports shall be submitted to the Corporate Governance Committee which includes sanctions recommended by the Ethics Committee.</p> <p>The whistleblowing policy is available in the Company website. https://www.apcaragorn.net/corporate-governance/company-policies/</p> <p>There are no reports on any illegal or unethical behavior of the directors and the management received in 2023.</p>	
Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
Recommendation 16.1			

<p>1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.</p>	<p>Compliant</p>	<p>Provide information or reference to a document containing information on the company's community involvement and environment-related programs.</p> <p>Refer to CSR initiatives of the Company: https://www.apcaragorn.net/inclusive-stakeholders-engagement/corporate-social-responsibility/</p> <p>Annual and Sustainability reports SEC Form 17A for 2023, pp. 108-136 of pdf: https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p>	
<p>Optional: Principle 16</p>			
<p>1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development</p>	<p>Compliant</p>	<p>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.</p> <p>The Company's community development projects involve development on infrastructure, livelihood, academics and welfare of the ancestral domains where geothermal project area is located.</p> <p>Refer to the link below for the summary of the community development programs in geothermal area. https://www.apcaragorn.net/inclusive-stakeholders-engagement/corporate-social-responsibility/</p> <p>MCG, Item 16, page 38:</p>	

		https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf Sustainability Report under SEC Form 17-A for 2023, pp. 108-136 of pdf: https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf	
2. Company exerts effort to interact positively with the communities in which it operates	Compliant	<p>Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.</p> <p>The Company exerts effort to have a positive communication in the community thru their community development programs to the residents of the geothermal area.</p> <p>Refer to the link below for the summary of the community development programs in geothermal area. https://www.apcaragorn.net/inclusive-stakeholders-engagement/corporate-social-responsibility/</p> <p>MCG, Item 16, page 38: https://www.apcaragorn.net/wp-content/uploads/11052021-APC-MCG-v5nov21-BOD-approved.pdf</p> <p>Sustainability Report under SEC Form 17-A for 2023, pp. 108-136 of pdf: https://www.apcaragorn.net/wp-content/uploads/APC-2023-17A-11apr24-for-website-1.pdf</p>	

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 _____ on _____ 2024.



Willy N. Ocier
Chairman of the Board



Rafael M. Alunan III
Lead Independent Director



Richard D. Alcazar
Corporate Secretary

SIGNATURE



Ian Jason R. Aguirre
President and CEO



Jerry C. Tiu
Independent Director



Marie Joy T. Co
Compliance Officer

MAKATI CITY

MAY 13 2024

Subscribed and sworn to before me this _____ day of _____ 2024,
affiants exhibiting to me their Tax Identification Number (TIN) cards, with the following TINS:

Name:

TIN:

Willy N. Ocier
Ian Jason R. Aguirre
Rafael M. Alunan III
Jerry C. Tiu
Richard D. Alcazar
Marie Joy T. Co



Doc. No.
Page No.
Book No.
Series of 2024

304
62
13

NOTARY PUBLIC

ATTY. JOEL FERRER FLORES

Notary Public for Makati City
Until December 31, 2024
Appointment No. M-115 (2023-2024)
Roll Of Attorney No. 77376
MCLE Compliance VIII No. 0001393-
Jan. 3, 2023 until Apr. 12, 2028
PTR NO. 10073945/ Jan. 2, 2024/ Makati City
IBP No. 330740/ Jan. 2, 2024/ Pasig City
1107 Bataan St., Guadalupe Nuevo, Makati City