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S.E.C. Registration No.

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(Company's Full Name)

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

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| Erwin Terrell Y. Sy |
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Contact Person

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| 8888-4762 |
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Company Telephone Number

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Month Day

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FORM TYPE

Last Friday of June

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Month Day

Annual Meeting

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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

Total Amount of Borrowings

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Domestic Foreign

To be accomplished by SEC Personnel concerned

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT

1. Report is Filed for the Year **2022**
2. Exact Name of Registrant as Specified in its Charter **FERRONOUX HOLDINGS, INC.**
3. **6th Floor, Hanston Building, F. Ortigas, Jr. Road, Ortigas Center, Pasig City 1605**
Address of principal office Postal Code
4. SEC Identification Number **A200115151**
5. (SEC Use Only)
Industry Classification Code
6. BIR Tax Identification Number **219-045-668**
7. **+(63) 9178078815 or (02) 8888 4762**
Issuer's Telephone number, including area code
8. **AG FINANCE, INCORPORATED; 2205A East PSE Centre, Exchange Road, Ortigas Center, Pasig City**
Former name or former address, if changed from the 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 | The academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of the directors are found on pages 17 to 21 of the Company's Annual Report for the Fiscal Year ended 31 December 2022. Please see: https://edge.pse.com.ph/openDiscViewer.do?edge_no=1b673a8e167013f39e4dc6f6c9b65995 | |
| 2. Board has an appropriate mix of competence and expertise. | Compliant | The qualification standards for the selection of potential director nominees are found on Section 1.2 of Part I (page 6) and on Section 2.6 of Part I (page 13-14) of the Company's Revised Manual of Good Corporate Governance. Please see the following link: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf | |
| 3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization. | Compliant | | |
| Recommendation 1.2 | | | |
| 1. Board is composed of a majority of non-executive directors. | Compliant | See information identifying the directors and the type of their directorships on pages 18-19 of the Company's Annual Report for the Fiscal Year ended 31 December 2022. Please see: | |

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| | | https://edge.pse.com.ph/openDiscViewer.do?edge_no=1b673a8e167013f39e4dc6f6c9b65995 | |
| Recommendation 1.3 | | | |
| 1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors. | Non-Compliant | <p>Information relating to Company's policy on training of directors is provided in:</p> <ul style="list-style-type: none"> ▪ <u>Section 1.3 of Part I (page 6)</u> of the Company's Revised Manual on Corporate Governance. Please see the following link: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf ▪ Please see <u>Section 4, Part IX (page 12)</u> of the Board Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Board-Charter.pdf | |
| 1. Company has an orientation program for first time directors. | Compliant | <p>See information containing the Company's policy on the orientation program and continuing training in:</p> <ul style="list-style-type: none"> ▪ <u>Section 1.3 of Part I (page 6)</u> of the Company's Revised Manual on Corporate Governance. Please see: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf ▪ Please see <u>Sections 3 and 4, Part IX (page 13)</u> (of the Board Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Board-Charter.pdf | |
| 2. Company has relevant annual continuing training for all directors. | Compliant | | |

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| | | <ul style="list-style-type: none"> Information on the trainings of directors for the previous year on the Certificate of Attendance on Corporate Governance: https://www.ferronouxholdings.com/company-disclosures/other-disclosures-to-sec-pse-and-other-pertinent-agencies/ | |
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Recommendation 1.4

| 1. Board has a policy on board diversity. | Compliant | <p>The information on the Company's policy on board diversity can be found <u>on</u>:</p> <ul style="list-style-type: none">▪ <u>Section 1.4 of Part I, pages 6-7</u> of the Company's Revised Manual on Corporate Governance. Please see the following link: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf▪ <u>Section 5 of Part II, page 5</u> of the Board Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Board-Charter.pdf <p>The gender composition of the Company's Board of Directors is as follows:</p> <table><tr><th>Board</th><th>Female</th><th>Male</th></tr><tr><td>Executive</td><td>0</td><td>2</td></tr><tr><td>Non-Executive</td><td>1</td><td>3</td></tr><tr><td>Independent</td><td>0</td><td>2</td></tr></table> | Board | Female | Male | Executive | 0 | 2 | Non-Executive | 1 | 3 | Independent | 0 | 2 |
|---|-----------|--|-------|--------|------|-----------|---|---|---------------|---|---|-------------|---|---|
| Board | Female | Male | | | | | | | | | | | | |
| Executive | 0 | 2 | | | | | | | | | | | | |
| Non-Executive | 1 | 3 | | | | | | | | | | | | |
| Independent | 0 | 2 | | | | | | | | | | | | |

Recommendation 1.5

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| 1. Board is assisted by a Corporate Secretary. | Compliant | <p>The Corporation's Corporate Secretary for 2022 was Atty. Manuel Z. Gonzalez. His qualifications are provided on <u>page 20</u> of the Company's Annual Report for the Fiscal Year ended 31 December 2022. Please see: https://edge.pse.com.ph/openDiscViewer.do?edge_no=1b673a8e167013f39e4dc6f6c9b65995</p> <p>His duties and functions are provided in:</p> <ul style="list-style-type: none">▪ <u>Section 1.5 of Part I (page 7)</u> of the Company's Revised Manual on Corporate Governance. Please see: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf▪ <u>Article IV, Section 5</u> of the Amended By-Laws of the Corporation: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/20190801-redacted-Certificate-of-Amended-By-Laws-Ferro.pdf | |
| 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 | | |
| 4. Corporate Secretary attends training/s on corporate governance. | Compliant | | |

Recommendation 1.6

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| 1. Board is assisted by a Compliance Officer. | Compliant | <p>The Corporation's Compliance Officer for 2022 was Lavinia C. Empleo-Buctolan. Her duties and functions are provided in:</p> <ul style="list-style-type: none"> Section 1.6 of Part I (page 7) of the Company's Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf Article IV, Section 7 of the Amended By-Laws of the Corporation: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/20190801-redacted-Certificate-of-Amended-By-Laws-Ferro.pdf | |
| 2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation. | Compliant | | |
| 3. Compliance Officer is not a member of the board. | Compliant | | |
| 4. Compliance Officer attends training/s on corporate governance. | Compliant | <p>Information on the trainings attended by the Compliance Officer for the previous year are found here: https://www.ferronouxholdings.com/company-disclosures/other-disclosures-to-sec-pse-and-other-pertinent-agencies/</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

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| 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 | <p>The Board members performed their duties pursuant to the duties and responsibilities as stated in <u>Sections 2.1 and 2.2 of Part I (pages 9-11)</u> of the Company's Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-</p> | |
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| | | content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf | |
| | | <p>The Company has limited business and operations for the year 2022. The Company is in the process of reviewing its options with respect to structure for investments that would be optimal for its plans, either directly as an operating company or indirectly as a holding company. As of the date of this report, no definite plan has been finalized.</p> | |
| Recommendation 2.2 | | | |
| 1. Board oversees the development, review and approval of the company's business objectives and strategy. | Compliant | <p>The duties of the Board to oversee the Company's business objectives, strategy and the implementation thereof, are stated in:</p> <ul style="list-style-type: none"> Sections 2.1 and 2.2 of Part I (pages 9-11) of the Company's Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf | |
| 2. Board oversees and monitors the implementation of the company's business objectives and strategy. | Compliant | <ul style="list-style-type: none"> Section 1 of Part II (pages 2-3) of the Company's Board Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Board-Charter.pdf <p>The Company currently has limited business and operations for the year 2022. The Company is in the process of reviewing its options with respect to structure for investments that would be optimal for its plans, either directly as an operating company or indirectly as a holding company. As of the date of this report, no definite plan has been finalized.</p> | |
| Supplement to Recommendation 2.2 | | | |

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| 1. Board has a clearly defined and updated vision, mission and core values. | Non-Compliant | | The Company currently has limited business and operations for the year 2022. The Company is in the process of reviewing its options with respect to structure for investments that would be optimal for its plans, either directly as an operating company or indirectly as a holding company. As of the date of this report, no definite plan has been finalized. |
| 2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture. | Non-Compliant | | Considering the foregoing, the Company's vision, mission, core values, and strategy are still evolving. |
| Recommendation 2.3 | | | |
| 1. Board is headed by a competent and qualified Chairperson. | Compliant | The Corporation's Chairperson for 2022 was Michael C. Cosiquien. Mr. Cosiquien's qualifications are found on page 17 of the Company's Annual Report for the Fiscal Year ended December 31, 2021. Please see: https://edge.pse.com.ph/openDiscViewer.do?edge_no=1b673a8e167013f39e4dc6f6c9b65995 | |
| Recommendation 2.4 | | | |

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| 1. Board ensures and adopts an effective succession planning program for directors, key officers and management. | Compliant | The Board ensures that a succession plan for directors, key officers and management positions is in place. See <u>Section 2.2(c) (page 10)</u> and <u>Section 2.4 (page 12)</u> of Part I of the Company's Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf | |
| 2. Board adopts a policy on the retirement for directors and key officers. | Compliant | Please see <u>Section 1(m) and 2 (i), Part II</u> of the Board Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux Board-Charter.pdf | |
| Recommendation 2.5 | | | |
| 1. Board aligns the remuneration of key officers and board members with long-term interests of the company. | Compliant | Information on the Company's remuneration policy and its implementation, including the relationship between remuneration and performance can be found on: <ul style="list-style-type: none"> ▪ <u>Section 2.2(d) (page 10)</u> and <u>Section 2.5 (page 13)</u> of Part I of the Company's Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf ▪ Item 10, Executive Compensation, 2022 Annual Report (17-A), page 22. Please see https://edge.pse.com.ph/openDiscViewer.do?edge_no=1b673a8e167013f39e4dc6f6c9b65995 | |
| 2. Board adopts a policy specifying the relationship between remuneration and performance. | Compliant | | |
| 3. Directors do not participate in discussions or deliberations involving his/her own remuneration. | Compliant | | |
| Optional: Recommendation 2.5 | | | |
| 1. Board approves the remuneration of senior executives. | | Provide proof of board approval | |

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| 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. | | 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. | |
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Recommendation 2.6

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| 1. Board has a formal and transparent board nomination and election policy. | Compliant | Information on the Company's election policy can be found in: | |
| 2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance. | Compliant | <ul style="list-style-type: none"> Section 2.6 of Part I (pages 13-17), Board Nomination Policy and Election Policy, Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf Article II, Section 9, and Article III, Section 10 (g), Amended By-Laws. Please see: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/20190801-redacted-Certificate-of-Amended-By-Laws-Ferro.pdf Article IV (pages 5-7) of the Corporate Governance Committee Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Corporate-Governance-Committee-Charter.pdf | |
| 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 | Compliant | | |

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| processes in the nomination, election, or replacement of a director. | | | |
| 6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company. | Compliant | | |
| 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. | | Identify the professional search firm used or other external sources of candidates | |
| 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 | Information on the Company's RPT policy can be found in: <ul style="list-style-type: none"> Section 2.7 of Part I (page 17), Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf | |
| 2. RPT policy includes appropriate review and approval of material | Compliant | | |

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| RPTs, which guarantee fairness and transparency of the transactions. | | <ul style="list-style-type: none"> Item 12, Certain Relationships and Related Transactions, 2021 Annual Report (17-A), page 25. Please see https://edge.pse.com.ph/openDiscViewer.do?edge_no=1b673a8e167013f39e4dc6f6c9b65995 | |
| 3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations. | Compliant | <ul style="list-style-type: none"> Related Party Transaction Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Related-Party-Transaction-Charter.pdf | |
| Supplement to Recommendations 2.7 | | | |

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| <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>The materiality threshold of the Company for Related Party Transactions is ten percent (10%) or higher of the Corporation's total consolidated assets based on its latest audited financial statement. Please see:</p> <ul style="list-style-type: none"> Material Related Party Transaction Policy: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/FERRO-Material-Related-Party-Transactions-Policy.pdf Section 3.5 of Part I (pages 23-25), of the Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf <p>Item 12, Certain Relationships and Related Transactions, 2021 Annual Report (17-A), page 25. Please see https://edge.pse.com.ph/openDiscViewer.do?edge_no=1b673a8e167013f39e4dc6f6c9b65995</p> | |
| <p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p> | <p>Compliant</p> | <p>Board-approved material RPTs which are not approved by majority of the Company's independent director are subject subject to ratification by a vote of the 2/3 of the shareholders representing the outstanding capital stock of the Corporation. Please see:</p> <ul style="list-style-type: none"> Related Party Transaction Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Related-Party-Transaction-Charter.pdf Material Related Party Transaction Policy: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/FERRO-Material-Related-Party-Transactions-Policy.pdf | |

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| | | <p>downloads/2020/07/Ferronoux_Related-Party-Transaction-Charter.pdf</p> <ul style="list-style-type: none"> Section 3.5 of Part I (pages 23-25), Revised Manual on Corporate Governance, p. 23-25: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf <p>For the year ending December 31, 2022, the Corporation has no reported Material Related Party Transaction.</p> | |
| Recommendation 2.8 | | | |
| 1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive). | Compliant | <p>Please see Section 2.8 and 2.9 of Part I (page 17), Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf</p> <p>The composition of the management team is found in Item 9, Directors and Executive Officers of the Issuer, 2022 Annual Report (17-A), pages 17 to 21. Please see https://edge.pse.com.ph/openDiscViewer.do?edge_no=1b673a8e167013f39e4dc6f6c9b65995</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 | Compliant | <p>Please see:</p> <ul style="list-style-type: none"> Section 2.2 (g) of Part I (page 10), Duties and Responsibilities of the Board, Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf | |

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| Compliance Officer and Chief Audit Executive). | | <ul style="list-style-type: none"> Part IX of the Board Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Board-Charter.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 | Please see: <ul style="list-style-type: none"> Section 2.2 (h) of Part I (pages 10-11), Duties and Responsibilities of the Board, Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf Section 1 (I), Part II of the Board Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Board-Charter.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 | | |
| Recommendation 2.10 | | | |
| 1. Board oversees that an appropriate internal control system is in place. | Compliant | Please see: <ul style="list-style-type: none"> Section 2.2(i) and 2.10 of Part I (page 11), Duties and Responsibilities of the Board, Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf | |
| 2. The internal control system includes a mechanism for monitoring and managing potential conflict of | Compliant | <ul style="list-style-type: none"> Article V of the Audit Committee Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Audit-Committee-Charter.pdf | |

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| interest of the Management, members and shareholders. | | downloads/2020/07/Ferronoux_Audit-Committee-Charter.pdf | |
| 3. Board approves the Internal Audit Charter. | Compliant | <ul style="list-style-type: none"> See Section 1 (c), Article IV of the Audit Committee Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Audit-Committee-Charter.pdf | |
| 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 | <p>Please see:</p> <p><u>Section 3.4 of Part I (page 22), The Board Risk Oversight Committee, Revised Manual on Corporate Governance:</u> http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf</p> | |
| 2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies. | Compliant | <p>Board Risk Oversight Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Board-Risk-Oversight-Committee-Charter.pdf</p> | |
| Recommendation 2.12 | | | |
| 1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role. | Compliant | <ul style="list-style-type: none"> Please see Part II of the Board Charter http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Board-Charter.pdf | |

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| 2. Board Charter serves as a guide to the directors in the performance of their functions. | Compliant | | |
| 3. Board Charter is publicly available and posted on the company's website. | Compliant | | |
| Additional Recommendation to Principle 2 | | | |
| 1. Board has a clear insider trading policy. | Compliant | Please see <u>Section 3, Article II (page 2)</u> of the Code of Business Ethics and Conduct: http://www.ferrouxholdings.com/wp-content/uploads/delightful-downloads/2019/06/FERRO-Code-of-Business-Ethics.pdf | |
| 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. | | Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any. | |
| 2. Company discloses the types of decision requiring board of directors' approval. | | Indicate the types of decision requiring board of directors' approval and where there are disclosed. | |

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

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| 1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities. | Compliant | <p>The Company has the following Board Committees: Executive Committee, Audit Committee, Corporate Governance Committee, Board Risk Oversight Committee and Related Party Transaction Committee.</p> <p>See information on all the board committees established by the company in this link: https://www.ferronouxholdings.com/corporate-governance/board-of-committees/board-committee-members/</p> | |
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Recommendation 3.2

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| 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>See:</p> <ul style="list-style-type: none"> Section 3.2 of Part I (pages 18-19), The Audit Committee, Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf Audit Committee Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Audit-Committee-Charter.pdf | |
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| | | <p>The Audit Committee recommends to the Board the appointment, reappointment, removal and fees of the External Auditor.</p> <p>The Company has limited business and operations for the year 2022. The Company is in the process of reviewing its options with respect to structure for investments that would be optimal for its plans, either directly as an operating company or indirectly as a holding company. As of the date of this report, no definite plan has been finalized.</p> | |
| 2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent. | Non-Compliant | <p>Information on the members of the Audit Committee can be found in this link: https://www.ferronouxholdings.com/corporate-governance/board-of-committees/board-committee-members/</p> <p>Their qualifications and type of directorship of the Audit Committee can be found in:</p> <ul style="list-style-type: none"> Item 9, Directors and Executive Officers of the Issuer, 2022 Annual Report (17-A), pages 17-21. Please see: https://edge.pse.com.ph/openDiscViewer.do?edge_no=1b673a8e167013f39e4dc6f6c9b65995 Article III, Section 11 of the Amended By-Laws of the Corporation: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/20190801-redacted-Certificate-of-Amended-By-Laws-Ferro.pdf | Considering the size and nature of operations of the Company, the current membership in the committee is deemed to be sufficient. |
| 3. All the members of the committee have relevant background, knowledge, skills, and/or | Compliant | See Item 9, Directors and Executive Officers of the Issuer, 2022 Annual Report (17-A), pages 17-21 for the information on the background, knowledge, skills, and/or experience of the | |

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| experience in the areas of accounting, auditing and finance. | | members of the Audit, Risk Oversight and Related Party Transaction Committee: https://edge.pse.com.ph/openDiscViewer.do?edge_no=1b673a8e167013f39e4dc6f6c9b65995 | |
| 4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee. | Non-Compliant | See link for the information on the Chairman of the Audit, Risk Oversight and Related Party Transaction Committee: https://www.ferronouxholdings.com/corporate-governance/board-of-committees/board-committee-members/ His qualifications and type of directorship can be found in Item 9, Directors and Executive Officers of the Issuer, 2022 Annual Report (17-A), pages 17-21. Please see https://edge.pse.com.ph/openDiscViewer.do?edge_no=1b673a8e167013f39e4dc6f6c9b65995 | The Chairman of the Audit Committee is also the chairman of the Board Risk Oversight Committee and Related Party Transaction Committee. Considering the size and nature of operations of the Company, the current membership in the committee is deemed to be sufficient. |
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| 1. Audit Committee approves all non-audit services conducted by the external auditor. | Compliant | Please see: <ul style="list-style-type: none"> Section 3.2 (h) of Part I (pages 20-21), The Audit Committee, Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf Section 2(d), Article IV (page 5), Audit Committee Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Audit-Committee-Charter.pdf | |

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| | | <p>Non-audit services rendered by the external auditors, FY Rojas & Associates, CPAs for 2020 amounted to Php 80,000 (nil in 2022). Except as disclosed above, no other services rendered or fees billed by the external auditor of the Company for 2021 and 2020. All the above services have been approved by the Audit Committee through its internal policies and procedures of approval. The relevant information has been reported in Item 8, Information on Independent Accountant and other related matters, 2022 Annual Report (17-A), pages 15-16. Please see:</p> <p>https://edge.pse.com.ph/openDiscViewer.do?edge_no=1b673a8e167013f39e4dc6f6c9b65995</p> | |
| 2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present. | Non-Compliant | | <p>The Company has limited business and operations for the year 2021. The Company is still in the process of reviewing its options with respect to structure for investments that would be optimal for its plans, either directly as an operating company or indirectly as a holding company. As of the date of this report, no definite plan has been finalized. The Audit Committee will conduct and hold regular meetings with the external audit team without the presence of any member of the management as soon as the operations and the business of the Company would reasonably require such.</p> |

| Optional: Recommendation 3.2 | | | |
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| 1. Audit Committee meet at least four times during the year. | | Indicate the number of Audit Committee meetings during the year and provide proof | |
| 2. Audit Committee approves the appointment and removal of the internal auditor. | | Provide proof that the Audit Committee approved the appointment and removal of the internal auditor. | |
| 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 | See <u>Section 3.3 of Part I, The Corporate Governance Committee, Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf</u> | The Corporate Governance Committee is composed of two (2) independent directors and one (1) regular director. The Company has limited business and operations for the year 2021. The Company is still in the process of reviewing its options with respect to structure for investments that would be optimal for its plans, either directly as an operating company or indirectly as a holding company. As of the date of this report, no definite plan has been finalized. |
| 2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors. | Non-Compliant | See link for information on the members of the Corporate Governance Committee: https://www.ferronouxholdings.com/corporate-governance/board-of-committees/board-committee-members/ Their qualifications and type of directorship can be found in Item 9, Directors and Executive Officers of the Issuer, 2022 Annual Report (17-A), pages 17-21. Please see: https://edge.pse.com.ph/openDiscViewer.do?edge_no=1b673a8e167013f39e4dc6f6c9b65995 | Considering the size and nature of operations of the Company, the current membership in the committee is deemed to be sufficient. |

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| 3. Chairman of the Corporate Governance Committee is an independent director. | Compliant | <p>See link for information on the Chairman of the Corporate Governance Committee: https://www.ferronouxholdings.com/corporate-governance/board-of-committees/board-committee-members/</p> <p>His qualifications and type of directorship can be found in Item 9, Directors and Executive Officers of the Issuer, 2022 Annual Report (17-A), page 17. Please see https://edge.pse.com.ph/openDiscViewer.do?edge_no=1b673a8e167013f39e4dc6f6c9b65995</p> | |
| Optional: Recommendation 3.3. | | | |
| 1. Corporate Governance Committee meet at least twice during the year. | | Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof. | |
| 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>Please see:</p> <ul style="list-style-type: none"> ▪ <u>Section 3.4 of Part I (page 22), Revised Manual on Corporate Governance:</u> http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf ▪ Article III, Section 12 of the Amended By-Laws of the Corporation: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/20190801-redacted-Certificate-of-Amended-By-Laws-Ferro.pdf | |

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| 2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman. | Non-Compliant | <p>Information on the members of the BROC can be found in this link: https://www.ferronouxholdings.com/corporate-governance/board-of-committees/board-committee-members/</p> <p>Their qualifications and type of directorship can be found in Item 9, Directors and Executive Officers of the Issuer, 2022 Annual Report (17-A), pages 17-21. Please see https://edge.pse.com.ph/openDiscViewer.do?edge_no=1b673a8e167013f39e4dc6f6c9b65995</p> | <p>The majority of the members of the BROC is not composed of independent directors and the Chairman is also the Chairman of the Audit Committee.</p> <p>The Company has limited business and operations for the year 2020. The Company is still in the process of reviewing its options with respect to structure for investments that would be optimal for its plans, either directly as an operating company or indirectly as a holding company. As of the date of this report, no definite plan has been finalized.</p> |
| 3. The Chairman of the BROC is not the Chairman of the Board or of any other committee. | Non-Compliant | <p>See Item 9, Directors and Executive Officers of the Issuer, 2022 Annual Report (17-A), pages 17-21 for the information on the background, knowledge, skills, and/or experience of the members of the BROC:</p> <p>https://edge.pse.com.ph/openDiscViewer.do?edge_no=1b673a8e167013f39e4dc6f6c9b65995</p> | <p>Considering the size and nature of operations of the Company, the current membership in the committee is deemed to be sufficient.</p> |
| 4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management. | Compliant | <p>See Item 9, Directors and Executive Officers of the Issuer, 2022 Annual Report (17-A), pages 17-21 for the information on the background, knowledge, skills, and/or experience of the members of the BROC:</p> <p>https://edge.pse.com.ph/openDiscViewer.do?edge_no=1b673a8e167013f39e4dc6f6c9b65995</p> | |
| Recommendation 3.5 | | | |
| 1. Board establishes a Related Party Transactions (RPT) Committee, | Compliant | Please see: | |

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| <p>which is tasked with reviewing all material related party transactions of the company.</p> | | <ul style="list-style-type: none"> ▪ Section 3.5 of Part I (page 23), The Related Party Transactions Committee, Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf ▪ Article III, Section 13 of the Amended By-Laws of the Corporation: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/20190801-redacted-Certificate-of-Amended-By-Laws-Ferro.pdf ▪ Related Party Transaction Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Related-Party-Transaction-Charter.pdf ▪ Material Related Party Transaction Policy: https://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/FERRO-Material-Related-Party-Transactions-Policy.pdf | |
| <p>2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.</p> | <p>Non-Compliant</p> | <p>Information on the members of the Audit Committee can be found in this link: https://www.ferronouxholdings.com/corporate-governance/board-of-committees/board-committee-members/</p> <p>Their qualifications and type of directorship can be found in Item 9, Directors and Executive Officers of the Issuer, 2022 Annual Report (17-A), pages 17-21. Please see: https://edge.pse.com.ph/openDiscViewer.do?edge_no=1b673a8e167013f39e4dc6f6c9b65995</p> | <p>Only the Chairman of the RPT Committee is an independent director.</p> <p>The Company has limited business and operations for the year 2022. The Company is still in the process of reviewing its options with respect to structure for investments that would be optimal for its plans, either directly as an operating company or indirectly as a</p> |

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| | | | <p>holding company. As of the date of this report, no definite plan has been finalized.</p> <p>Considering the size and nature of operations of the Company, the current membership in the committee is deemed to be sufficient.</p> |
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Recommendation 3.6

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| 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 | <p>Please see the Board Charter, Corporate Governance Committee Charter, Related Party Transactions Charter, Audit Committee Charter and Board Risk and Oversight Committee Charter:</p> <p>https://www.ferronouxholdings.com/corporate-governance/board-of-committees/board-committee-charters/</p> | |
| 2. Committee Charters provide standards for evaluating the performance of the Committees. | Compliant | | |
| 3. Committee Charters were fully disclosed on the company's website. | Compliant | | |

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

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| <p>1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.</p> | <p>Compliant</p> | <p>Directors attend regular and special board meetings in person. Board members take part in active discussions during Board meetings.</p> <p>The attendance of the Company's directors for the meetings of the Board of Directors held during the year 2021 is provided under Annex "A".</p> <p>See:</p> <ul style="list-style-type: none"> Section 2.4 of Part I, Meetings of the Board (page 12), Revised Manual on Corporate Governance: http://www.ferronouholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf Article III, Sections 4 to 7, Amended By-Laws of the Corporation: http://www.ferronouholdings.com/wp-content/uploads/delightful-downloads/2020/07/20190801-redacted-Certificate-of-Amended-By-Laws-Ferro.pdf | |
| <p>2. The directors review meeting materials for all Board and Committee meetings.</p> | <p>Compliant</p> | <p>See <u>Section 2.4 of Part I, Meetings of the Board</u> (page 12), Revised Manual on Corporate Governance: http://www.ferronouholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf</p> | |
| <p>3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.</p> | <p>Compliant</p> | <p>The directors have the freedom to express their opinions or seek clarifications and explanations during board meetings.</p> <p>See <u>Section 2.4 of Part I, Meetings of the Board</u> (page 12), Revised Manual on Corporate Governance: http://www.ferronouholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf</p> | |

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| | | content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf | |
| Recommendation 4.2 | | | |
| 1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company. | Compliant | <p>Please see <u>Section 4.2 of Part I (page 26)</u>, Multiple Board Seats, Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf</p> <p>Information on the directorships of the company's directors in both listed and non-listed companies can be found in Item 9, Directors and Executive Officers of the Issuer, 2022 Annual Report (17-A), pages 17-21: https://edge.pse.com.ph/openDiscViewer.do?edge_no=1b673a8e167013f39e4dc6f6c9b65995</p> | |
| Recommendation 4.3 | | | |
| 1. The directors notify the company's board before accepting a directorship in another company. | Compliant | <p>No such notice was submitted to the Company's Board in 2022.</p> <p>Please see <u>Section 4.2 of Part I (page 26)</u>, Multiple Board Seats, Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf</p> | |
| Optional: Principle 4 | | | |
| 1. Company does not have any executive directors who serve in | | | |

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| more than two boards of listed companies outside of the group. | | | |
| 2. Company schedules board of directors' meetings before the start of the financial year. | | | |
| 3. Board of directors meet at least six times during the year. | | Indicate the number of board meetings during the year and provide proof | |
| 4. Company requires as minimum quorum of at least 2/3 for board decisions. | | Indicate the required minimum quorum for board decisions | |

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

Recommendation 5.1

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| 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 | See list of Board of Directors in in Item 9, Directors and Executive Officers of the Issuer, 2022 Annual Report (17-A), pages 17-21: https://edge.pse.com.ph/openDiscViewer.do?edge_no=1b673a8e167013f39e4dc6f6c9b65995 | The Company currently has two (2) independent directors. The Company has limited business and operations for the year 2022. The Company is still in the process of reviewing its options with respect to structure for investments that would be optimal for its plans, either directly as an operating company or indirectly as a holding company. As of the |
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| | | | date of this report, no definite plan has been finalized. Considering the size and nature of operations of the Company, the current membership in the Board is deemed to be sufficient for purposes of its operations. | | | | | | |
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| Recommendation 5.2 | | | | | | | | | |
| 1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions. | Compliant | <ul style="list-style-type: none">Please see Certifications of Independent Directors attached as appendices to the Definitive Information Statement: https://edge.pse.com.ph/openDiscViewer.do?edge_no=3617ffa0aff0a0213470cea4b051ca8f | | | | | | | |
| 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 | | | | | | | | |
| Recommendation 5.3 | | | | | | | | | |
| 1. The independent directors serve for a cumulative term of nine years (reckoned from 2012). | Compliant | <table><tr><th>Independent Director</th><th>Term</th></tr><tr><td>Mathew-John Almogino</td><td>2017-Present</td></tr><tr><td>Alfred S. Jacinto</td><td>2018-Present</td></tr></table> | Independent Director | Term | Mathew-John Almogino | 2017-Present | Alfred S. Jacinto | 2018-Present | |
| | | Independent Director | Term | | | | | | |
| | | Mathew-John Almogino | 2017-Present | | | | | | |
| Alfred S. Jacinto | 2018-Present | | | | | | | | |
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| 2. The company bars an independent director from serving in such | Compliant | Information on the company's policy on term limits for its independent directors can be found on Section 5.3 of Part 1 (page 28), Revised Manual on Corporate Governance: | | | | | | | |

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| capacity after the term limit of nine years. | | http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf Please see Article III, Section 1-b of the Amended By-Laws of the Corporation: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/20190801-redacted-Certificate-of-Amended-By-Laws-Ferro.pdf | |
| 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 | The Company has no director serving more than nine (9) years on the Board. | |

Recommendation 5.4

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| 1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals. | Non-Compliant | Chairman of the Board | Michael C. Cosiquien | Under the Manual of Corporate Governance for Publicly Listed Corporations (Recommendation 5.5), the Board should designate a lead director among the independent directors if the Chairman of the Board is not independent, <u>including if the positions of the Chairman of the Board and Chief Executive Officer are held by one person.</u> |
| | | CEO/President | Michael C. Cosiquien | |
| | | The Company has limited business and operations for the year 2022. The Company is still in the process of reviewing its options with respect to structure for investments that would be optimal for its plans, either directly as an operating company or indirectly as a holding company. As of the date of this report, no definite plan has been finalized. Considering the size and nature of operations of the Company, the current membership in the Board is deemed to be in the best interest of the Corporation. | | |

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| | | | Almogino, independent director, as the Lead Director of the Company. |
| 2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities. | Compliant | <p>Information on the roles and responsibilities of:</p> <p>a. Chairperson of the Board can be found in <u>Section 2.3 (page 11)</u>, Chairperson of the Board, Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf</p> <p>b. Chief Executive Officer can be found in <u>Section 5.4 of Part I</u>, President (page 29), Revised Manual on Corporate Governance, and Article IV, Section 2 of the Company's Amended By-Laws: http://www.ferronouxholdings.com/?ddownload=1500</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>See <u>Section 5.5 of Part I (page 30)</u>, Revised Manual of Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf</p> <p>Under the Manual of Corporate Governance for Publicly Listed Corporations (Recommendation 5.5), the Board should designate a lead director among the independent directors if the Chairman of the Board is not independent, <u>including if the positions of the Chairman of the Board and Chief Executive Officer are held by one person</u>. Thus, in view of the foregoing, the Board of Directors designated Mathew-John G. Almogino, independent director, as the Lead Director of the Company.</p> | |

Recommendation 5.6

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| 1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction. | Compliant | <ul style="list-style-type: none">See Article VIII, Section 3 of the Material Related Transactions Policy: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/FERRO-Material-Related-Party-Transactions-Policy.pdfThe Advisement Report on the material related party transaction has been submitted to the SEC and duly disclosed with the PSE, which can be accessed here: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/FERRO-Material-Related-Party-Transactions-Policy.pdf | |
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Recommendation 5.7

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| 1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present. | Non-Compliant | | Due to the minimal operations and requirements of the Company, there were no meetings called among the non-executive directors (NEDs), external auditor and heads of the internal audit, compliance and risk functions, without any executive present. |
| 2. The meetings are chaired by the lead independent director. | Non-Compliant | | The Company has limited business and operations for the year 2022. The Company is still in the process of reviewing its options with respect to structure for investments that would be optimal for its plans, either directly as an operating company or indirectly as a |

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| | | | holding company. As of the date of this report, no definite plan has been finalized. The non-executive directors will conduct and hold periodic meetings with the external audit team without the presence of any member of the management as soon as the operations and the business of the Company would reasonably require so. |
| Optional: Principle 5 | | | |
| 1. None of the directors is a former CEO of the company in the past 2 years. | | Provide name/s of company CEO for the past 2 years | |
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| Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies. | | | |
| Recommendation 6.1 | | | |
| 1. Board conducts an annual self-assessment of its performance as a whole. | Compliant | The Board under its Charter has a policy of self-assessment which it endeavors to implement. Information on assessment processes can be found in: | |
| 2. The Chairman conducts a self-assessment of his performance. | Compliant | <ul style="list-style-type: none"> Sections 6.1 (Board Evaluation) and 6.2 (Minimum Criteria) of Part I (page 30), Revised Manual on Corporate Governance: | |

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| 3. The individual members conduct a self-assessment of their performance. | Compliant | http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf | |
| 4. Each committee conducts a self-assessment of its performance. | Compliant | <ul style="list-style-type: none"> Part IX of the Board Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Board-Charter.pdf | |
| 5. Every three years, the assessments are supported by an external facilitator. | Compliant | Given that the Board Charter's policy on self-assessment was made effective only in 2019, the three-year period has not yet lapsed and there is yet no need for an external facilitator. There was no instance in 2022 when this was required. | |
| 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 | <p>The Board under its Charter has a policy of self-assessment which it endeavors to implement.</p> <p>Information on assessment processes can be found in:</p> <ul style="list-style-type: none"> Sections 6.1 (Board Evaluation) and 6.2 (Minimum Criteria) of Part I (page 30), Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf | |
| 2. The system allows for a feedback mechanism from the shareholders. | Compliant | <ul style="list-style-type: none"> Part IX of the Board Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Board-Charter.pdf <p>Shareholders are able to send their feedback via usual channels, such as written correspondences via letter or email. The Investor Relations Officer responds to such feedback. See:</p> | |

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| | | <ul style="list-style-type: none"> Section 2 of Part VII of the Board Charter (page 11): http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Board-Charter.pdf Section 13.1 of Part IV, Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf | |
| Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders. | | | |
| Recommendation 7.1 | | | |
| 1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company. | Compliant | Please see Code of Business Ethics and Conduct: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2019/06/FERRO-Code-of-Business-Ethics.pdf | |
| 2. The Code is properly disseminated to the Board, senior management and employees. | Compliant | Please see Code of Business Ethics and Conduct: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2019/06/FERRO-Code-of-Business-Ethics.pdf | |
| 3. The Code is disclosed and made available to the public through the company website. | Compliant | Please see Code of Business Ethics and Conduct: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2019/06/FERRO-Code-of-Business-Ethics.pdf | |

| Supplement to Recommendation 7.1 | | | |
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| 1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes. | Compliant | Please see <u>Section 5, Article II</u> of the Code of Business Ethics and Conduct: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2019/06/FERRO-Code-of-Business-Ethics.pdf | |
| Recommendation 7.2 | | | |
| 1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics. | Compliant | Please see: <ul style="list-style-type: none"> Section 7 (Strengthening Board Ethics) of of Part I (page 31), Revised Manual on Corporate Governance. http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf | |
| 2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies. | Compliant | <ul style="list-style-type: none"> Code of Business Ethics and Conduct: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2019/06/FERRO-Code-of-Business-Ethics.pdf | |
| Disclosure and Transparency | | | |
| Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations. | | | |
| Recommendation 8.1 | | | |
| 1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other | Compliant | Please see: <u>Section 8</u> (Enhancing Company Disclosures and Procedures) of Part II (pages 32-33), Revised Manual on Corporate Governance: | |

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| stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations. | | http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf Company's disclosure reports to PSE: http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=643 Company's stock Information: http://edge.pse.com.ph/companyPage/stockData.do?cmpy_id=643 | | | | | | | | | |
| Supplement to Recommendations 8.1 | | | | | | | | | | | |
| 1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period. | Compliant | The quarterly reports were filed with the SEC on the following dates: <table><tr><td>2022</td><td>Date of Filing</td></tr><tr><td>First Quarter</td><td>May 17, 2022</td></tr><tr><td>Second Quarter</td><td>August 16, 2022</td></tr><tr><td>Third Quarter</td><td>November 15, 2021</td></tr></table> | 2022 | Date of Filing | First Quarter | May 17, 2022 | Second Quarter | August 16, 2022 | Third Quarter | November 15, 2021 | |
| 2022 | Date of Filing | | | | | | | | | | |
| First Quarter | May 17, 2022 | | | | | | | | | | |
| Second Quarter | August 16, 2022 | | | | | | | | | | |
| Third Quarter | November 15, 2021 | | | | | | | | | | |
| 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 | Compliant | The Company's Annual Report for the year 2022 can be found in the PSE website. https://edge.pse.com.ph/openDiscViewer.do?edge_no=1b673a8e167013f39e4dc6f6c9b65995 | | | | | | | | | |

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| among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company. | | | |
| 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 | <p>Please see:</p> <ul style="list-style-type: none">Section 1(g) of Part II (page 2) of the Board Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Board-Charter.pdfSection 4(b), Article IV (page 8) of the Audit Committee Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Audit-Committee-Charter.pdf <p>Changes in Beneficial Ownership reports are filed with the PSE. All such reports made by the Company are found in the PSE website under Company Disclosures: http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=643</p> | |
| 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 | | |
| Supplement to Recommendation 8.2 | | | |
| 1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the | Compliant | Changes in Beneficial Ownership reports are filed with the PSE. All such reports made by the Company are found in the PSE website under Company Disclosures: http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=643 | |

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| company's purchase of its shares from the market (e.g. share buy-back program). | | | |
| 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 | See Item 9, Directors and Executive Officers of the Issuer, 2022 Annual Report (17-A), pages 17-21: https://edge.pse.com.ph/openDiscViewer.do?edge_no=1b673a8e167013f39e4dc6f6c9b65995 | |
| 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 | See Item 9, Directors and Executive Officers of the Issuer, 2022 Annual Report (17-A), pages 17-21: https://edge.pse.com.ph/openDiscViewer.do?edge_no=1b673a8e167013f39e4dc6f6c9b65995 | |
| 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 | Article III, Section 8 of the Company's By-Laws provide that directors shall receive per diems for their attendance at each meeting of the Board by resolution of the Board of Directors. Any compensation other than per diems may be allowed subject to the approval of stockholders at a regular or special meeting for an amount of not more than 10% of the net income before income tax of the Company during the preceding year: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/20190801-redacted-Certificate-of-Amended-By-Laws-Ferro.pdf | |

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| | | <p>Item 10, Part III (page 22) of the Company's annual reports include disclosure of all fixed and variable compensation that may be paid, directly or indirectly, to its directors and top four (4) management officers during the preceding fiscal year, which may be subject to objection or ratification of the stockholders. There were no issues on the compensation of directors and officers which was brought up in the last annual stockholders meeting:</p> <p>https://edge.pse.com.ph/openDiscViewer.do?edge_no=1b673a8e167013f39e4dc6f6c9b65995</p> | |
| <p>2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.</p> | Compliant | <p>Article III, Section 8 of the Company's By-Laws provide that directors shall receive per diems for their attendance at each meeting of the Board by resolution of the Board of Directors. Any compensation other than per diems may be allowed subject to the approval of stockholders at a regular or special meeting for an amount of not more than 10% of the net income before income tax of the Company during the preceding year:</p> <p>http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/20190801-redacted-Certificate-of-Amended-By-Laws-Ferro.pdf</p> <p>Please see:</p> <ul style="list-style-type: none"> ▪ <u>Section 9 of Article III</u> (page 4) of the Corporate Governance Committee Charter (http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Corporate-Governance-Committee-Charter.pdf) ▪ <u>Section 2 of Article VII</u> (page 12) of the Audit Committee Charter (http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Audit-Committee-Charter.pdf) | |

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| | | downloads/2020/07/Ferronoux_Audit-Committee-Charter.pdf) which provide clear disclosure of all policies and procedure for setting executive remuneration, including the level and mix of the same. | |
| 3. Company discloses the remuneration on an individual basis, including termination and retirement provisions. | Compliant | See Item 10, Executive Compensation, 2022 Annual Report (17-A), pages 22: https://edge.pse.com.ph/openDiscViewer.do?edge_no=1b673a8e167013f39e4dc6f6c9b65995 | |
| 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>Please see:</p> <ul style="list-style-type: none"> Section 3.5 (Related Party Transaction Committee) of Part I (pages 23-25), Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf Article VI, Related Party Transaction Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Related-Party-Transaction-Charter.pdf | |
| 2. Company discloses material or significant RPTs reviewed and approved during the year. | Compliant | <p>Please see:</p> <ul style="list-style-type: none"> Item 12, Certain Relationships and Related Transactions, 2022 Annual Report (17-A), page 23: http://www.ferronouxholdings.com/?ddownload=1466 Related Party Transaction Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Related-Party-Transaction-Charter.pdf | |

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| | | <ul style="list-style-type: none"> Material Related Party Transaction Policy: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/FERRO-Material-Related-Party-Transactions-Policy.pdf | |
| Supplement to Recommendation 8.5 | | | |
| 1. Company requires directors to disclose their interests in transactions or any other conflict of interests. | Compliant | <p>Please see:</p> <ul style="list-style-type: none"> Section 3.5 of Part I (pages 23-25), Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf Related Party Transaction Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Related-Party-Transaction-Charter.pdf Material Related Party Transaction Policy: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/FERRO-Material-Related-Party-Transactions-Policy.pdf Section 2 of Article II (page 2) of the Code of Business Ethics and Conduct: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2019/06/FERRO-Code-of-Business-Ethics.pdf | |
| Optional : Recommendation 8.5 | | | |
| 1. Company discloses that RPTs are conducted in such a way to | | Provide link or reference where this is disclosed, if any | |

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| ensure that they are fair and at arms' length. | | | |
| Recommendation 8.6 | | | |
| 1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occurs, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders. | Compliant | <p>The Company strictly adheres to required disclosures by both the PSE and SEC for acquisitions and dispositions of assets.</p> <p>For the year ending December 31, 2022, the Company has no reported Material Related Party Transaction.</p> | |
| 2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets. | Compliant | For the year ending December 31, 2022, the Company has no reported Material Related Party Transaction. | |
| 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>Details on shareholder agreements, voting trust agreements and such other agreements that impact on the control, ownership and strategic direction of the Company are all found in the Company's 2022 Annual Report submitted to the PSE and SEC.</p> <p>https://edge.pse.com.ph/openDiscViewer.do?edge_no=1b673a8e167013f39e4dc6f6c9b65995</p> | |

Recommendation 8.7

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| 1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG). | Compliant | Please see the Revised Manual on Corporate Governance uploaded in the Company's website: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf | |
| 2. Company's MCG is submitted to the SEC and PSE. | Compliant | The Revised Manual of Corporate Governance was filed with the SEC on May 31, 2017 and disclosed with the PSE on June 1, 2017. | |
| 3. Company's MCG is posted on its company website. | Compliant | | |

Supplement to Recommendation 8.7

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| 1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices. | Compliant | Please see PSE Disclosure Form 17-18 on the Revised Manual on Corporate Governance: http://edge.pse.com.ph/openDiscViewer.do?edge_no=7d5f4c133ec586523318251c9257320d#sthash.ZAEo5G9T.dpbs | |
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Optional: Principle 8

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| 1. Does the company's Annual Report disclose the following information: | | | |
| a. Corporate Objectives | | | |

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| b. Financial performance indicators | | | |
| c. Non-financial performance indicators | | | |
| d. Dividend Policy | | | |
| e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors | | | |
| f. Attendance details of each director in all directors meetings held during the year | | | |
| g. Total remuneration of each member of the board of directors | | | |
| 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. | | | |
| 3. The Annual Report/Annual CG Report discloses that the board of | | | |

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| directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems. | | | |
| 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. | | | |
| 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). | | | |
| Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality. | | | |
| Recommendation 9.1 | | | |
| 1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors. | Compliant | Please see: <ul style="list-style-type: none"> Section 3.2 (f) and (g) of Part I (pages 18-20), The Audit Committee, Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf | |

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| | | <ul style="list-style-type: none"> ▪ Section 9.1 of Part II (page 33), External Auditor, Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf ▪ Section 2 of Article IV (pages 3-4) of the Audit Committee Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Audit-Committee-Charter.pdf | |
| 2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders. | Compliant | <p>Please see:</p> <ul style="list-style-type: none"> ▪ Section 9.1 of Part II (page 33), Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf ▪ Article VI, Section 1 of the Amended By-Laws of the Corporation: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/20190801-redacted-Certificate-of-Amended-By-Laws-Ferro.pdf ▪ Section 2 (a) and (b) of Article IV (pages 3-4) of the Audit Committee Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Audit-Committee-Charter.pdf | |
| 3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and | Compliant | Please see: | |

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| the public through the company website and required disclosures. | | <ul style="list-style-type: none"> Section 9.1 of Part II (page 33), Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf Section 2 (b) of Article IV (pages 4-5) of the Audit Committee Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Audit-Committee-Charter.pdf | |
| Supplement to Recommendation 9.1 | | | |
| 1. Company has a policy of rotating the lead audit partner every five years. | Compliant | Please see <u>Section 2 (l) of Article IV (pages 4-5)</u> of the Audit Committee Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Audit-Committee-Charter.pdf | |
| Recommendation 9.2 | | | |
| 1. Audit Committee Charter includes the Audit Committee's responsibility on: <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 | Compliant | Please see <u>Section 2 of Article IV (pages 4-5)</u> of the Audit Committee Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Audit-Committee-Charter.pdf | |

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| iii. | exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. | | | |
| 2. | Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis. | Compliant | Please see <u>Section 2 (g) of Article IV (pages 4-5)</u> of the Audit Committee Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Audit-Committee-Charter.pdf | |
| Supplement to Recommendations 9.2 | | | | |
| 1. | Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions. | Compliant | Please see: <ul style="list-style-type: none"> ▪ <u>Section 9.1 of Part II (page 33)</u>, Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf ▪ <u>Section 2 of Article IV (pages 4-5)</u> of the Audit Committee Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Audit-Committee-Charter.pdf | |
| 2. | Audit Committee ensures that the external auditor has adequate quality control procedures. | Compliant | Please see: <ul style="list-style-type: none"> ▪ <u>Section 2 (k) of Article IV (pages 4-5)</u> of the Audit Committee Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Audit-Committee-Charter.pdf | |

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| | | downloads/2020/07/Ferronoux_Audit-Committee-Charter.pdf <ul style="list-style-type: none"> Section 3.2 of Part I (pages 19-20), Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.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 | The External Auditor of the Company does not provide non-audit services to the Company. | |
| 2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity. | Compliant | Please see: <ul style="list-style-type: none"> Section 2 (e) of Article IV (pages 4-5) of the Audit Committee Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Audit-Committee-Charter.pdf Section 3.2 of Part I (pages 19-20), Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf | |
| Supplement to Recommendation 9.3 | | | |

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| 1. Fees paid for non-audit services do not outweigh the fees paid for audit services. | Compliant | Non-audit services rendered by the external auditors, FY Rojas & Associates, CPAs for 2020 amounted to Php 80,000 (nil in 2021). Except as disclosed above, no other services rendered or fees billed by the external auditor of the Company for 2021 and 2020. All the above services have been approved by the Audit Committee through its internal policies and procedures of approval. The relevant information has been reported in Item 8, Information on Independent Accountant and other related matters, 2022 Annual Report (17-A), pages 15-16. Please see: https://edge.pse.com.ph/openDiscViewer.do?edge_no=1b673a8e167013f39e4dc6f6c9b65995 | |
| Additional Recommendation to Principle 9 | | | |
| 1. Company's external auditor is duly accredited by the SEC under Group A category. | Compliant | The Company's external auditor's details are the following: Reyes Tacandong & Co., Makati City, Metro Manila Emmanuel V. Clarino Partner CPA Certificate No. 27455 Tax Identification No. 102 084 004 000 BOA Accreditation No. 4782; Valid until April 13, 2024 SEC Accreditation No. 27455 SEC Group A Issued January 28, 2020 Valid for financial periods 2019 to 2023 BIR Accreditation No. 08 005144 005 2022 Valid until October 16, 2025 PTR No. 9564558 Issued January 3, 2022, Makati City | |
| 2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program | Compliant | | As per the representation of the Company's external |

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| conducted by the SEC's Office of the General Accountant (OGA). | | | auditor, it has been subjected to SOAR. |
| 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>Please see:</p> <ul style="list-style-type: none"> Section 10 of Part II (page 33), Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf Section 4 (e), Article IV of the Audit Committee Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Audit-Committee-Charter.pdf | |
| 2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues. | Compliant | <p>Please see <u>Section 10.1 of Part II</u> (page 33), Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf </p> | |
| Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users. | | | |

Recommendation 11.1

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| 1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors. | Compliant | Medium of communication <ul style="list-style-type: none">• Company disclosures filed with the Securities and Exchange Commission and the Philippine Stock Exchange• Print (e.g. broadsheets, brochures)• Written notices• Corporate website | |
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Supplemental to Principle 11

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| 1. Company has a website disclosing up-to-date information on the following: | Compliant | See link for Company's website: http://www.ferronouxholdings.com | |
| a. Financial statements/reports (latest quarterly) | Compliant | Please see link for the Annual Reports: https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=643 Please see link for the Quarterly Reports: https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=643 | |
| b. Materials provided in briefings to analysts and media | Compliant | There was no instance in 2022 when this was required. | |
| c. Downloadable annual report | Compliant | Please see link for the Annual Reports: https://edge.pse.com.ph/openDiscViewer.do?edge_no=1b673a8e167013f39e4dc6f6c9b65995 | |

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| d. Notice of ASM and/or SSM | Compliant | Please see: https://edge.pse.com.ph/openDiscViewer.do?edge_no=9912cd7180e76d103470cea4b051ca8f | |
| e. Minutes of ASM and/or SSM | Compliant | Please see: https://edge.pse.com.ph/openDiscViewer.do?edge_no=9912cd7180e76d103470cea4b051ca8f | |
| f. Company's Articles of Incorporation and By-Laws | Compliant | Articles of Incorporation: https://www.ferronouxholdings.com/our-company/articles-of-incorporation-by-laws-all-amendments-thereto/ By-Laws: https://www.ferronouxholdings.com/our-company/articles-of-incorporation-by-laws-all-amendments-thereto/ | |
| Additional Recommendation to Principle 11 | | | |
| 1. Company complies with SEC-prescribed website template. | Compliant | See link for Company's website: http://www.ferronouxholdings.com | |
| 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 | | | |

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| 1. Company has an adequate and effective internal control system in the conduct of its business. | Compliant | <p>Please see:</p> <ul style="list-style-type: none"> Section 12 of Part III (page 34), Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf Section 1, Article IV (page 3) of the Audit Committee Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Audit-Committee-Charter.pdf | |
| 2. Company has an adequate and effective enterprise risk management framework in the conduct of its business. | Compliant | <p>See:</p> <ul style="list-style-type: none"> Section 12.4 of Part III (page 36-37), Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf Board Risk Oversight Committee Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Board-Risk-Oversight-Committee-Charter.pdf | |
| Supplement to Recommendations 12.1 | | | |
| 1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program | Compliant | <p>Please see:</p> <ul style="list-style-type: none"> Part III, Internal Control System and Management, Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf | |

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| includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances. | | content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf <ul style="list-style-type: none"> Article IV and V of the Audit Committee Charter: http://www.ferronouholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Audit-Committee-Charter.pdf | |
| Optional: Recommendation 12.1 | | | |
| 1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board. | | Provide information on IT governance process | |
| 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 | Please see Article V of the Audit Committee Charter: http://www.ferronouholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Audit-Committee-Charter.pdf | |
| Recommendation 12.3 | | | |
| 1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board. | Non-Compliant | | Due to the minimal operations and requirements of the Company, no CAE has been |

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| | | | appointed. The same will be implemented when the need arises. |
| 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 | Please see Article VI of the Audit Committee Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Audit-Committee-Charter.pdf | |
| 3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity. | Compliant | Please see Article V of the Audit Committee Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Audit-Committee-Charter.pdf | |
| Recommendation 12.4 | | | |
| 1. Company has a separate risk management function to identify, assess and monitor key risk exposures. | Compliant | See: <ul style="list-style-type: none"> Part III, Internal Control System and Management, Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf Board Risk Oversight Committee Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Board-Risk-Oversight-Committee-Charter.pdf | Currently, due to the minimal operations and requirements of the Company, no separate risk management function is in place. The same will be implemented when the need arises. |

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| Supplement to Recommendation 12.4 | | | |
| 1. Company seeks external technical support in risk management when such competence is not available internally. | Compliant | <p>See:</p> <ul style="list-style-type: none"> Part III, Internal Control System and Management, Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf Board Risk Oversight Committee Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Board-Risk-Oversight-Committee-Charter.pdf | Currently, due to the minimal operations and requirements of the Company, no separate risk management function is in place. The same will be implemented when the need arises. |
| Recommendation 12.5 | | | |
| 1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM). | Non-Compliant | | Due to the minimal operations and requirements of the Company, there is no need for technical support risk management. The same will be implemented when the need arises. |
| 2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities. | Compliant | Please see Board Risk Oversight Committee Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Board-Risk-Oversight-Committee-Charter.pdf | |

Additional Recommendation to Principle 12

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| 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 | Please refer to the certifications filed with the Annual Audited Financial Statement filed with the PSE. https://edge.pse.com.ph/openDiscViewer.do?edge_no=1b673a8e167013f39e4dc6f6c9b65995 | |
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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

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| 1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance. | Compliant | Please see <u>Section 13</u> of Part IV (pages 37-44), Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf | |
| 2. Board ensures that basic shareholder rights are disclosed on the company's website. | Compliant | Please see Section 1 of Part VIII (page 11), Board Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Board-Charter.pdf | |

Supplement to Recommendation 13.1

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| 1. Company's common share has one vote for one share. | Compliant | The Company ensures compliance with the Revised Corporation Code and recognizes that each common share has one vote for one share. | |
| 2. Board ensures that all shareholders of the same class are treated equally with respect to voting | Compliant | The Company ensures compliance with the Revised Corporation Code and recognizes that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights. | |

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| rights, subscription rights and transfer rights. | | | |
| 3. Board has an effective, secure, and efficient voting system. | Compliant | The Company's Amended By-Laws allows for voting by ballot, in person or by proxy. http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/20190801-redacted-Certificate-of-Amended-By-Laws-Ferro.pdf | |
| 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 | The Company observes the voting mechanisms found in the Revised Corporation Code of the Philippines directed for the protection of minority shareholders. | |
| 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 | Please see Article II, Section 2 of the Amended By-Laws: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/20190801-redacted-Certificate-of-Amended-By-Laws-Ferro.pdf The Company's shareholders have not requested for a special shareholders' meeting in the past year. | |
| 6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders. | Compliant | The Company respects the rights of the stockholders as provided in the Revised Corporation Code, namely: <ul style="list-style-type: none"> i. right to vote on all matters that require their consent or approval ii. pre-emptive right to all stock issuances of the Corporation iii. right to inspect corporate books and records iv. right to information v. right to dividends vi. appraisal right | |

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| | | <p>vii. right in the distribution of the remaining assets of the corporation after its dissolution and liquidation of its assets</p> <p>viii. right to vote and be voted as director or officer of the Corporation in accordance with the Revised Corporation Code of the Philippines</p> | |
| 7. Company has a transparent and specific dividend policy. | Compliant | <p>Please see Article VI, Section 3 of the Amended By-Laws: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/20190801-redacted-Certificate-of-Amended-By-Laws-Ferro.pdf</p> <p>The Company has not declared dividends for the past year.</p> | |
| Optional: Recommendation 13.1 | | | |
| 1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting. | | Identify the independent party that counted/validated the votes at the ASM, if any. | |
| Recommendation 13.2 | | | |
| 1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting. | Compliant | <p>Notices for the annual stockholders' meeting together with the agenda and the Definitive Information Statement of the Corporation "), along with the guidelines for participation through remote communication and voting in absentia, were disclosed via PSE EDGE and posted on the Corporation's website on September 24, 2022. Further, the notice of this meeting was published in Daily Tribune, newspapers of general circulation, in print and online formats, on September 28 and September 29, 2022.</p> | |

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| | | <ul style="list-style-type: none"> See company's notice of Annual Shareholders' Meeting for 2022 in the Definitive Information Statement. https://edge.pse.com.ph/openDiscViewer.do?edge_no=1b673a8e167013f39e4dc6f6c9b65995 | |
| Supplemental to Recommendation 13.2 | | | |
| 1. Company's Notice of Annual Stockholders' Meeting contains the following information: | | See company's notice of Annual Shareholders' Meeting for 2022 in the Definitive Information Statement. https://edge.pse.com.ph/openDiscViewer.do?edge_no=28e6cf2f36d5d4793470cea4b051ca8f | |
| a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies) | Compliant | Please see: https://edge.pse.com.ph/openDiscViewer.do?edge_no=28e6cf2f36d5d4793470cea4b051ca8f | |
| b. Auditors seeking appointment/re-appointment | Compliant | Please see: https://edge.pse.com.ph/openDiscViewer.do?edge_no=28e6cf2f36d5d4793470cea4b051ca8f | |
| c. Proxy documents | Compliant | Please see: https://edge.pse.com.ph/openDiscViewer.do?edge_no=28e6cf2f36d5d4793470cea4b051ca8f | |
| Optional: Recommendation 13.2 | | | |
| 1. Company provides rationale for the agenda items for the annual stockholders meeting | | | |

Recommendation 13.3

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| 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 | Please see disclosure: https://edge.pse.com.ph/openDiscViewer.do?edge_no=28e6cf2f36d5d4793470cea4b051ca8f | |
| 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. | Compliant | Please see: https://www.ferronouxholdings.com/company-disclosures/minutes-of-all-general-and-special-stockholders-meetings/ | |

Supplement to Recommendation 13.3

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| 1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM. | Compliant | The Company's External Auditor attends the Annual Stockholders Meeting. | |
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Recommendation 13.4

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| 1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner. | Non-Compliant | | The Company has no ADR in place. In the event of intra-corporate disputes, the Corporation will offer the shareholders alternative dispute mechanisms to amicable settle any disputes. |
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| | | | As of date, there are no disputes between the Company and any of its stockholders, third parties and regulatory authorities that would require adoption of an alternative dispute resolution system. |
| 2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance. | Compliant | See Section 13.4 of Part IV (page 40), Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf | |
| Recommendation 13.5 | | | |
| 1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders. | Compliant | See Item 9, Directors and Executive Officers of the Issuer, 2022 Annual Report (17-A), pages 17-21 for the information on the background, knowledge, skills, and/or experience of the IRO. Please see: https://edge.pse.com.ph/openDiscViewer.do?edge_no=1b673a8e167013f39e4dc6f6c9b65995 | |
| 2. IRO is present at every shareholder's meeting. | Compliant | See: https://www.ferronouxholdings.com/company-disclosures/minutes-of-all-general-and-special-stockholders-meetings/ | |
| Supplemental Recommendations to Principle 13 | | | |

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| 1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group | Compliant | The Board has not employed anti-takeover measures or similar devices. | |
| 2. Company has at least thirty percent (30%) public float to increase liquidity in the market. | Compliant | Public float is at 32.99% as of December 31, 2022. | |

Optional: Principle 13

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| 1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting | | Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM | |
| 2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting. | | Disclose the process and procedure for secure electronic voting in absentia, if any. | |

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

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| 1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability. | Compliant | See <u>Section 14.1 of Part V</u> (page 40), Duties to Stakeholders, Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf | |
| Recommendation 14.2 | | | |
| 1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders. | Compliant | See: <ul style="list-style-type: none"> ▪ <u>Section 14 of Part V</u> (page 40), Duties to Stakeholders, Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf ▪ Part II and VII of the Board Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Board-Charter.pdf | |
| 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 | See: <ul style="list-style-type: none"> ▪ <u>Section 14 of Part V</u> (page 40), Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf ▪ Part II and VII of the Board Charter: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2020/07/Ferronoux_Board-Charter.pdf | |

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| Supplement to Recommendation 14.3 | | | |
| 1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner. | Non-Compliant | | As of date, there are no disputes between the Company and any of its stockholders, third parties and regulatory authorities that would require adoption of an alternative dispute resolution system. |
| Additional Recommendations to Principle 14 | | | |
| 1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation. | Compliant | The Company has not sought any requests for exemption from a law, rule, or regulation relative to a corporate governance issue. | |
| 2. Company respects intellectual property rights. | Compliant | It is the Company's policy to protect and vigorously defend its rights to intellectual property by regular monitoring and enforcement of its rights. | |
| Optional: Principle 14 | | | |

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| 1. Company discloses its policies and practices that address customers' welfare | | Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same. | |
| 2. Company discloses its policies and practices that address supplier/contractor selection procedures | | Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same. | |

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

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| 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>See Section 15 of Part V (page 40), Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf</p> <p>While the general principle of providing programs and procedures that encourage employees to actively participate in the realization of the company's goals is provided in the Revised Manual of Corporate Governance, this has not been implemented due to the Company's minimal operations.</p> | |
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Supplement to Recommendation 15.1

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| 1. Company has a reward/compensation policy that | Compliant | See Section 15.1 of Part V (page 40), Revised Manual on Corporate Governance: | |
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| accounts for the performance of the company beyond short-term financial measures. | | http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf While the general principle of providing programs and procedures that provide for the reward/compensation policy that accounts for the performance of the company beyond short-term financial measures is provided in the Revised Manual of Corporate Governance, this has not been implemented due to the Company's minimal operations. | |
| 2. Company has policies and practices on health, safety and welfare of its employees. | Compliant | See Section 15.1 of Part V (page 40), Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf While the general principle on health, safety and welfare of its employees is provided in the Revised Manual of Corporate Governance, this has not been implemented due to the Company's minimal operations. | |
| 3. Company has policies and practices on training and development of its employees. | Compliant | See Section 15 of Part V (page 40), Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf While the general principle on training and development of employees is provided in the Revised Manual of Corporate Governance, this has not been implemented due to the Company's minimal operations. | |

Recommendation 15.2

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| 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 | See: <ul style="list-style-type: none">Section 15.2 of Part V (page 41), Revised Manual on Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdfSection 5, Article II of the Code of Business Conduct and Ethics: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2019/06/FERRO-Code-of-Business-Ethics.pdf | |
| 2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture. | Compliant | Please see <u>Section 5, Article II</u> of the Code of Business Conduct and Ethics: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2019/06/FERRO-Code-of-Business-Ethics.pdf | |

Supplement to Recommendation 15.2

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|---|-----------|--|--|
| 1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes. | Compliant | Please see <u>Section 5, Article II</u> of the Code of Business Conduct and Ethics: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2019/06/FERRO-Code-of-Business-Ethics.pdf | |
|---|-----------|--|--|

Recommendation 15.3

| | | | |
|---|-----------|--|--|
| 1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns | Compliant | Please see Article III of the Code of Business Conduct and Ethics: | |
|---|-----------|--|--|

| | | | |
|--|-----------|--|--|
| about illegal or unethical practices, without fear of retaliation | | http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2019/06/FERRO-Code-of-Business-Ethics.pdf | |
| 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 | Please see Article III of the Code of Business Conduct and Ethics: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2019/06/FERRO-Code-of-Business-Ethics.pdf | |
| 3. Board supervises and ensures the enforcement of the whistleblowing framework. | Compliant | There has been no incident report through the Company's whistleblowing policy. | |
| | | | |
| Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development. | | | |
| Recommendation 16.1 | | | |
| 1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates. | Compliant | Section 16 of Part V (page 41), Encouraging Sustainability and Social Responsibility, Revised Manual of Corporate Governance: http://www.ferronouxholdings.com/wp-content/uploads/delightful-downloads/2018/07/A.6.3-AGF-Manual-of-Corp-Gov-2016.pdf | |

Optional: Principle 16

| | | | |
|---|--|--|--|
| 1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development | | 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. | |
| 2. Company exerts effort to interact positively with the communities in which it operates | | Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates. | |

Pursuant to the requirement of the Security and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized in the City of Pasig on May 30, 2023.

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the left.

MICHAEL C. COSIQUIEN
Chairman & President

Pursuant to the requirement of the Security and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized in the City of Pasig on May 30, 2023.


LAVINIA E. BUCTOLAN
Compliance Officer

Pursuant to the requirement of the Security and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized in the _____ City of Pasig _____ on _____ May 30, 2023 _____.



MATHEW-JOHN GONONG ALMOGINO
Independent Director

Pursuant to the requirement of the Security and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized in the City of Pasig on May 30, 2023.



ALFRED JACINTO
Independent Director

Pursuant to the requirement of the Security and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized in the City of Pasig on May 30, 2023.




MANUEL Z. GONZALEZ
Corporate Secretary

Subscribed and sworn to before me this MAY 30 2023, affiants exhibiting to me their competent identification as follows:

| Name | ID | Valid Until |
|-------------------------------|----------------------|----------------------|
| MICHAEL C. COSIQUIEN | TIN 150-443-099 | |
| LAVINIA BUCTOLAN | DL NO. N01-09-026026 | VALID UNTIL 8/4/2023 |
| MATHEW - JOHN GONONG ALMOGINA | TIN 109-255-999 | |
| ALFREDO JACINTO | TIN 165-833-350 | |
| MANUEL Z. GONZALEZ | TIN 166-201-040 | |

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Series of 2023.


RAQUEL MONIQUE L. LUNA
Appointment No. 213 (2022-2023)
Notary Public for Pasig City, Pateros and San Juan
Until December 31, 2023
Attorney's Roll No. 78308
33rd Floor, The Orient Square
F. Ortigas Jr. Road, Ortigas Center, Pasig City
PTR Receipt No. 8979098; 01.04.23; Pasig City
IBP OR No. 254479; 12.28.22; RSM
Admitted to the Bar in 2022