



I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

GENERAL INSTRUCTIONS

A. Use of Form I-ACGR

This SEC Form shall be used as a tool to disclose Publicly-Listed Companies' compliance/non-compliance with the recommendations provided under the Code of Corporate Governance for Publicly-Listed Companies, which follows the "comply or explain" approach, and for harmonizing the corporate governance reportorial requirements of the SEC and the Philippine Stock Exchange (PSE).

B. Preparation of Report

These general instructions are not to be filed with the report. The report shall contain the numbers and captions of all items.

The I-ACGR has four columns, arranged as follows:

RECOMMENDED CG PRACTICE/POLICY	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<p>Contains CG Practices/ Policies, labelled as follows:</p> <p>(1) "Recommendations" - derived from the CG Code for PLCs;</p> <p>(2) "Supplement to Recommendation" - derived from the PSE CG Guidelines for Listed Companies;</p> <p>(3) "Additional Recommendations" - CG Practices not found in the CG Code for PLCs and PSE CG Guidelines but are expected already of PLCs; and</p> <p>(4) "Optional Recommendation" - practices taken from the ASEAN Corporate Governance Scorecard</p> <p>*Items under (1) - (3) must be answered/disclosed by the PLCs following the "comply or explain" approach. Answering of items under (4) are left to the discretion of PLCs.</p>	<p>The company shall indicate compliance or non-compliance with the recommended practice.</p>	<p>The company shall provide additional information to support their compliance with the recommended CG practice</p>	<p>The PLCs shall provide the explanations for any non-compliance, pursuant to the "comply or explain" approach.</p> <p>Please note that the explanation given should describe the non-compliance and include how the overall Principle being recommended is still being achieved by the company.</p> <p>*"Not Applicable" or "None" shall not be considered as sufficient explanation</p>

C. Signature and Filing of the Report

- a. Three (3) copies of a fully accomplished I-ACGR shall be filed with the Main Office of the Commission on or before May 30 of the following year for every year that the company remains listed in the PSE;
- b. At least one (1) complete copy of the I-ACGR shall be duly notarized and shall bear original and manual signatures
- c. The I-ACGR shall be signed under oath by: (1) Chairman of the Board; (2) Chief Executive Officer or President; (3) All Independent Directors; (4) Compliance Officer; and (5) Corporate Secretary.
- d. The I-ACGR shall cover all relevant information from January to December of the given year.
- e. All reports shall comply with the full disclosure requirements of the Securities Regulation Code.



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. **For the fiscal year December 31, 2019**
2. SEC Identification Number **15393**
3. BIR Tax Identification No. **000-463-069-000**
4. Exact name of issuer as specified in its charter **HOUSE OF INVESTMENTS, INC.**
5. **Philippines**
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. **9th Floor, Grepalife Building 221 Sen Gil Puyat Avenue Makati City 1200**
Address of principal office Postal Code
8. **632- 8815- 96-36**
Issuer's telephone number, including area code
9. **NOT APPLICABLE**
Former name, former address, and former fiscal year, if changed since last report.



**HOUSE OF
INVESTMENTS**

HOUSE OF INVESTMENTS, INC.

**INTEGRATED ANNUAL CORPORATE
GOVERNANCE REPORT**

For the year ended December 31, 2019

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

**COMPLIANT/
NON-
COMPLIANT**

ADDITIONAL INFORMATION

EXPLANATION

The Board's Governance Responsibilities

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

Recommendation 1.1

<p>1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.</p>	<p align="center">Compliant</p>	<p align="center">https://hoi.com.ph</p> <p>The Company's Board is composed of directors who have extensive experience in the field of banking, finance, education, consultancy, investments and management, insurance and re-insurance and holding companies.</p> <p>Reference: https://hoi.com.ph Revised Manual on Corporate Governance; Company Disclosure – SEC Filings/ Annual Report (SEC Form 17-A) Part III Control and Compensation</p>	
<p>2. Board has an appropriate mix of competence and expertise.</p>	<p align="center">Compliant</p>	<p>The Board has appropriate mix of directors to ensure that they are able to meet the changing needs of the organization with the evolving business environment.</p> <p>Reference: https://hoi.com.ph Corporate Governance – Revised Manual on Corporate Governance</p>	

		- Qualification of Directors Company Profile - Board of Directors	
3. Directors remain qualified for their positions individually and collectively to enable them to fulfil their roles and responsibilities and respond to the needs of the organization.	Compliant	The Directors remain qualified for their positions individually and collectively pursuant to the qualifications, duties and responsibilities, performance evaluation and other benchmarks enumerated in the Revised Manual on Corporate Governance. They continue to possess all the qualifications and none of the disqualifications enumerated in the said Manual. Reference: https://hoi.com.ph Corporate Governance – Revised Manual on Corporate Governance - Qualification of Directors	
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Compliant	The board is composed of 11 directors, 9 of whom are non-executive directors, 5 are independent directors and 2 executive directors. Reference: https://hoi.com.ph Revised Manual on corporate Governance; Company Profile - Board of Directors	
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	The Company complies with the mandate in the Manual that first time directors are given a comprehensive on boarding orientation prior to	

		<p>attending their first board meeting while every director and officers undergo continuous training and development programs to deepen their understanding of the industries the Company is involved in. The Company annually sponsors in-house corporate governance seminar and allows its directors and officers to attend seminars relevant to their expertise conducted by SEC accredited providers under MC No. 19, S. 2016.</p> <p>Reference: https://hoi.com.ph Corporate Governance – Revised Manual on Corporate Governance/ Training Process</p>	
2. Company has an orientation program for first time directors.	Compliant	<p>References: https://hoi.com.ph Corporate Governance – Revised Manual on Corporate Governance/ Training Process</p>	
3. Company has relevant annual continuing training for all directors.	Compliant	<p>2019 Annual Seminar conducted by Dr. Allinette Go Adigue, Manager, Public Policy and Corporate Relations for Southeast Asia Global Reporting Initiative, and Atty. Jose Luis Syquia – Head Due Diligence Unit Asian Development Bank Office of Anti-Corruption and Integrity.</p>	
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	The Board of Directors is composed of non-executive and independent	

		<p>Directors with diverse professional and personal backgrounds (age, skills, expertise, competence, gender and knowledge). It has 2 women directors in the Board.</p> <p>Reference: https://hoi.com.ph Corporate Governance – Revised Manual on Corporate Governance – Board Governance</p>	
Optional: Recommendation 1.4			
<p>1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.</p>	Compliant	<p>The Company's Revised Manual on Corporate Governance and Charter provide for measurable objectives for implementing board diversity. The Nomination Committee undertakes a selection process to ensure that the Board has a combination of Executive and Non-executive directors with diverse professional backgrounds.</p> <p>Reference: https://hoi.com.ph Revised Manual on Corporate Governance; Corporate Governance, Nominations and Related Party Committee Charter, Company Disclosure – SEC Filings/ Annual Report (SEC Form 17-A)</p>	
Recommendation 1.5			
<p>1. Board is assisted by a Corporate Secretary.</p>	Compliant	<p>The Board of Directors is ably assisted by a Corporate Secretary and an Assistant Corporate Secretary who</p>	
<p>2. Corporate Secretary is a separate individual from the Compliance Officer.</p>	Compliant		

3. Corporate Secretary is not a member of the Board of Directors.	Compliant	<p>are separate individuals from the Compliance Officer. They are not members of the Board of Directors. The Revised Manual on Corporate Governance provides for the duties and obligations of a Corporate Secretary.</p> <p>Reference: https://hoi.com.ph Company Directors and Officers Company Disclosure – SEC Filings/ Annual Report (SEC Form 17-A) Part III Control and Compensation</p>	
4. Corporate Secretary attends training/s on corporate governance.	Compliant	<p>The Corporate Secretary attends the annual in-house training as well as seminars sponsored by SEC accredited providers.</p> <p>Reference Certificate of Attendance: 2019 Annual Seminar conducted by Dr. Allinette Go Adigue-Manager-Public Policy and Corporate Relations For Southeast Asia Global Reporting Initiative and Atty. Jose Luis Syquia – Head Due Diligence Unit Asian Development Bank Office of Anti-Corruption and Integrity.</p>	
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	Compliant	Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	The Board of Directors is assisted by a Compliance Officer who is a	

<p>2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.</p>	<p>Compliant</p>	<p>separate individual from the Corporate Secretary. She is not a member of the Board of directors and possesses adequate stature and authority in the Company.</p> <p>Reference: https://hoi.com.ph Corporate Governance – Revised Manual on Corporate Governance – Part III Implementing Guidelines Item M. 1 The Compliance Officer; Corporate Officers (Company website)</p>	
<p>3. Compliance Officer is not a member of the board.</p>	<p>Compliant</p>	<p>SEC Filings/ Annual Report (Sec Form 17-A) PART III – Control and Compensation; Officers and Directors of the Company (Company website)</p>	
<p>4. Compliance Officer attends training/s on corporate governance.</p>	<p>Compliant</p>	<p>The Compliance Officer attends trainings and seminars on corporate governance either by in-house or SEC accredited service providers.</p> <p>Reference: Certificate of Attendance 2019 Annual Seminar conducted by Dr. Allinette Go Adigue-Manager-Public Policy and Corporate Relations For Southeast Asia Global Reporting Initiative. and Atty. Jose Luis Syquia – Head Due Diligence Unit Asian Development Bank Office of Anti-Corruption and Integrity.</p>	

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

Recommendation 2.1

<p>1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.</p>	<p>Compliant</p>	<p>The Company's Revised Manual on Corporate Governance mandates its Directors to act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company. As such they are provided with regular reports from the Management on its business operations; matters requiring its attention is promptly elevated to the concerned Committee/s who will deliberate on the issues; and materials are provided to the Board before the intended meeting/s. The Directors actively participate during regular meetings and annual stockholders' meeting. The Chairman of the Board makes certain that the meeting agenda focuses on strategic matters taking into consideration the advice and suggestions of the Directors.</p> <p>References: Revised Manual on Corporate Governance; Minutes of the Board Meetings conducted on Feb 22, Apr 5, May 21, July 19, Aug. 7, Oct.4, Oct 28, Nov. 25, Dec 6, 2019</p>	
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Recommendation 2.2

<p>1. Board oversees the development, review and approval of the company's business objectives and strategy.</p>	<p>Compliant</p>	<p>The Board formulates, oversees the development of, and approves the company's business objectives and</p>	
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		<p>strategy, and monitors their implementation, in order to sustain the company's long-term viability and strength.</p> <p>References: Revised Manual on Corporate Governance; Board Meetings conducted on Feb 22, Apr 5, May 21, July 19, Aug. 7, Oct.4, Oct 28, Nov. 25, Dec 6, 2019</p>	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant	<p>References : Revised Manual on Corporate Governance; Minutes of Board Meetings held on Feb 22, Apr 5, May 21, July 19, Aug. 7, Oct.4, Oct 28, Nov. 25, Dec 6, 2019</p>	
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	<p>The Company's vision, mission and core values are in the process of updating.</p> <p>Reference: https://hoi.com.ph Home-Our Company - Vision and Mission; Revised Manual on Corporate Governance</p>	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compliant	<p>Reference: https://hoi.com.ph Corporate Governance – Revised Manual on Corporate Governance – Strategy Setting and Planning.</p>	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	<p>The Company is headed by a Chairperson whose qualifications, duties and functions are enumerated</p>	

		<p>in the Revised Manual on Corporate Governance.</p> <p>https://hoi.com.ph Revised Manual on Corporate Governance; Company Disclosure – SEC Filings/ Annual Report (SEC Form 17-A) Part III Control and Compensation</p>	
Recommendation 2.4			
<p>1. Board ensures and adopts an effective succession planning program for directors, key officers and management.</p>	<p>Compliant</p>	<p>The Board has adopted an effective succession planning program for key officers and management to ensure growth and continued increase in the shareholder's value. The program shall include a policy on retirement age for key officers as part of management's succession and to promote dynamism in the company</p> <p>https://hoi.com.ph Corporate Governance: Revised Manual on Corporate Governance-Board Governance</p>	
<p>2. Board adopts a policy on the retirement for directors and key officers.</p>	<p>Compliant</p>	<p>The Company has a policy on retirement age for directors and key officers as part of its management's succession and to promote dynamism in the Company. The existing retirement package for key officers is being managed by RCBC Trust.</p> <p>Reference: https://hoi.com.ph</p>	

		Revised Manual on Corporate Governance	
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	The Board formulated and implemented remuneration plans of key officers and board members specifying the relationship between remuneration and performance. No director can participate in the discussion or deliberations of his remuneration. The Remuneration Committee implements such remuneration plans in accordance with its Charter. Reference: https://hoi.com.ph Revised Manual on Corporate Governance; Remuneration Committee Charter; Company Disclosures – SEC Filings /Annual Report (SEC Form 17-A) Part III Control and Compensation Information	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant		
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	Compliant	Reference: https://hoi.com.ph Company Disclosures – SEC Filings /Annual Report (SEC Form 17-A) Part III Control and Compensation Information	
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term	Compliant	Reference: https://hoi.com.ph Company Disclosures – SEC Filings /Annual Report (SEC Form 17-A) Part	

interest, such as claw back provision and deferred bonuses.		III. Control and Compensation Information	
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	<p>The Board has implemented a formal and transparent board nomination policy that includes how it accepts nomination from minority shareholders and reviews nominated candidates. The policy also includes an assessment of the effectiveness of the Board's processes and procedures in the nomination, election, or replacement of a director. In addition, its process of identifying the quality of directors are aligned with the strategic direction of the company. The Corporate Governance, Nomination and Related Party Transactions Committee implements such policy in accordance with its Charter.</p> <p>Reference: https://hoi.com.ph Corporate Governance – Revised Manual on Corporate Governance – CG, Nomination and RPT Committee Charter; PART III – Implementing Guidelines – Item Q- Stockholders Right and Protection of Minority Stockholders' Interest; PART III – Implementing Guidelines Item D – Qualification of Directors,</p>	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant		

4. Board nomination and election policy includes how the board shortlists candidates.	Compliant	Reference: https://hoi.com.ph Revised Manual on Corporate Governance; CG, Nomination and RPT Committee Charter.	
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant	Reference: https://hoi.com.ph Revised Manual on Corporate Governance; CG, Nomination and RPT Committee Charter	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant	Reference: https://hoi.com.ph Revised Manual on Corporate Governance; CG, Nomination and RPT Committee Charter	
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.			
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	The Board, through the Corporate Governance, Nomination and Related party Transactions Committee, issued a Policy on Related Party Transaction on October 4, 2019, which contain the threshold amount of SEC and Company material RPT, the system of identifying, reviewing, evaluating, measuring, approving, monitoring, controlling and reporting of RPTs including the periodic review of said policy. Reference: https://hoi.com.ph	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant		
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risks profile and complexity of operations.	Compliant		

		Revised Manual on Corporate Governance; Corporate Governance, Nomination and RPT Committee Charter; Related Party Transactions Policy	
Supplement to Recommendations 2.7			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <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.	Compliant	<p>Material RPTs include both SEC and Company RPTs. SEC material RPTs are transactions of the Company with a related party where the amount involved would bring the aggregated 12-month period with the same party at 10% or higher of the Company's total consolidated assets based on its Audited Financial Statement. Company material RPTs are transactions of the Company and/or its subsidiaries with any related party amounting to Ten Million and above. The Policy on RPT enumerates, in Section 4.4., transactions which are not covered by the said policy.</p> <p>https://hoi.com.ph Revised Manual on Corporate Governance; CG, Nomination and RPT Committee Charter; Corporate Disclosure; Company Policy - Related Party Transactions Policy</p>	
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.	Compliant	<p>https://hoi.com.ph Revised Manual on Corporate Governance; CG, Nomination and RPT Committee Charter; Corporate Disclosure - Company Policy - Related Party Transactions Policy</p>	

Recommendation 2.8

<p>1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	Compliant	<p>The Board, upon the recommendation of the Corporate Governance, Nominations and Related Party Transactions Committee, approves the appointment of the Chief Executive Officer and other Management officers such as Chief Operating Officers, Chief Finance Officer, Treasurer, Chief Risk Officer, Compliance Officer and Chief Audit Executive.</p> <p>Reference: https://hoi.com.ph Revised Manual on Corporate Governance – Part III - Implementing Guidelines - Board Governance The Management Team is composed of:</p> <ul style="list-style-type: none">a. Chairman of the Boardb. President and Chief Executive Officerc. Chief Operating Officer/Chief Finance Officer/Treasurere. Chief Audit Executivef. Corporate Secretaryg. Compliance Officerh. Chief Risk Officer <p>and other company officers</p>	
<p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief</p>	Compliant	<p>Reference: https://hoi.com.ph Corporate Governance – Revised Manual on Corporate Governance - Part III – Implementing Guidelines</p>	

Risk Officer, Chief Compliance Officer and Chief Audit Executive).		Item A. Board Governance; Self-Assessment Questionnaire	
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	These are among the internal control responsibilities of the Board of Directors as enumerated in the Revised Manual on Corporate Governance.	
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	Reference: https://hoi.com.ph Corporate Governance – Revised Manual on Corporate Governance, Internal Control Functions of the Board of Directors; Part III – Implementing Guidelines Item A. Board Governance	
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Compliant	The Audit Committee approved the Company's Internal Audit Charter which formally defines the role of Internal Audit and the audit plan.	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	Such approval is among the Internal Control Functions of the Board as enumerated in the Revised Manual on Corporate Governance (Section H -Duties and Responsibilities of the Board. Reference https://hoi.com.ph Corporate Governance – Revised Manual on Corporate Governance – Internal Control Functions of the Board of Directors; PART III –	

		Implementing Guidelines Item O – Accountability and Audit	
3. Board approves the Internal Audit Charter.	Compliant	<p>The Audit Committee supervises all acts and activities of the Internal Audit. Internal Audit is guided by its Charter which was approved by the Board.</p> <p>Reference: https://hoi.com.ph Revised Manual on Corporate Governance; Audit Committee; Audit Committee Charter; Regular meeting of the HI Board of directors – September 29, 2017</p>	
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>The Board has approved the Company's ERM Manual.</p> <p>The Company has a Board Risk Oversight Committee whose charter defines the duties and responsibilities of its members. Among such duties include the development and oversight of the company's Enterprise Risk Management system to ensure its functionality and effectiveness. It oversees the system of limits to discretionary authority that the Board delegates to Management, ensure that the system remains effective, that the limits are observed and that immediate corrective actions are taken whenever limits are breached.</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		

		Reference https://hoi.com.ph Corporate Governance – Revised Manual on Corporate Governance – Part III Implementing Guidelines Item K-Board Committees; Enterprise Risk Management Manual	
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	https://hoi.com.ph Revised Manual on Corporate Governance particularly found in Sections D to J; Implementing Guidelines Item G – Responsibilities, Duties and Function of the Board	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant		
3. Board Charter is publicly available and posted on the company's website.	Compliant		
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	Compliant	https://hoi.com.ph Revised Manual on Corporate Governance – Code of Business Conduct and Ethics.	
Optional: Principle 2			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.	Compliant	The Company do not allow/forbid granting loans to Directors.	
2. Company discloses the types of decision requiring board of directors' approval.	Compliant	Transactions requiring Board Approval: 1. Declaration of Dividends 2. Acquisition, Merger or Joint Ventures with other Companies.	

		3. Financial Statements submitted for compliance purposes to regulatory agencies 4. Promotions of Company Officers 5. Appointment of external auditors These are disclosed to SEC and PSE.	
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Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.

Recommendation 3.1

1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	The Company has Board Committees such as Audit Committee; Corporate Governance, Nomination and Related Party Transactions Committee; Board Risk Oversight Committee, Remuneration Committee and Executive Committee. Reference: https://hoi.com.ph Revised Manual on Corporate Governance; Minutes of the Meeting; HI Board Organizational Meeting – July 19, 2019	
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Recommendation 3.2

1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal	Compliant	The core responsibilities of the Audit Committee include the following, among others: 1) Assists the Board in	
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<p>control system, internal and external audit processes, and compliance with applicable laws and regulations.</p>		<p>the performance of its oversight responsibility for the Company's financial reporting process, system of internal control, internal and external audit process, and monitoring of compliance with applicable laws, rules, and regulations; 2) Performs oversight functions over the Company's internal and external auditors. It shall ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions; and others.</p> <p>Reference: https://hoi.com.ph Corporate Governance – Minutes of the Meeting – HI Board Organizational Meeting – July 19, 2019</p>	
<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	<p>Compliant</p>	<p>The Company's Audit Committee is composed of three (3) appropriately qualified non-executive directors, the majority of whom, including the Chairman, are independent.</p> <p>Reference: https://hoi.com.ph Manual on Corporate Governance; Minutes of the Meeting; HI Board Organizational Meeting – July 19, 2019</p>	

<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	<p>Compliant</p>	<p>All of the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p> <p>Reference: https://hoi.com.ph Manual on Corporate Governance; Audit Committee Charter; Company Disclosure – SEC Filings/ Annual Report (SEC Form 17-A) Part III Control and Compensation</p>	
<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	<p>Compliant</p>	<p>The Chairman of the Audit Committee is not be the Chairman of the Board or any other Committees.</p> <p>Reference: https://hoi.com.ph Manual on Corporate Governance; Audit Committee Charter; Minutes of the Meeting – HI Board Organizational Meeting – July 19, 2019</p>	
Supplement to Recommendation 3.2			
<p>1. Audit Committee approves all non-audit services conducted by the external auditor.</p>	<p>Compliant</p>	<p>The functions of the Audit Committee, include, among others: Ensure that the Audit Committee Charter shall include the Audit Committee's responsibility on assessing the integrity and independence of external auditors and exercising effective oversight to review and monitor the external auditor's independence and objectivity and the effectiveness of</p>	

		<p>the audit process, taking into consideration relevant Philippine professional and regulatory requirements. The Charter shall also contain the Audit Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis; Ensure the disclosure of the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest. The Audit Committee shall be alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.</p> <p>https://hoi.com.ph Manual on Corporate Governance; Audit Committee Charter Part D – Oversight on External Audit item 3</p>	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	Audit Committee conducts regular dialogues with the external auditors before the start of the Audit Committee meetings without anyone from the management team present.	
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.	Compliant	HI Audit Committee meetings were conducted four times during the year and minutes of the meeting are on file.	

<p>2. Audit Committee approves the appointment and removal of the internal auditor.</p>	<p>Compliant</p>	<p>https://hoi.com.ph Corporate Governance, Audit Committee Charter D – Oversight on External Audit item 3 https://hoi.com.ph Corporate Governance – Minutes of the Regular Board Mtg. July 19, 2019</p>	
<p>Recommendation 3.3</p>			
<p>1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.</p>	<p>Compliant</p>	<p>The Board has created a Corporate Governance, Nomination and Related Party Transactions Committee which be composed of three (3) members of the Board of Directors, all of whom are independent directors, including the Chairman. The said Committee is guided by a written charter that describes the duties and responsibilities of its members. The Charter was approved by the Board of Directors and reviewed and updated at least annually.</p> <p>Reference:</p> <p>https://hoi.com.ph Revised Manual on Corporate Governance – Implementing Guidelines Item k.2 – Corporate Governance, Nomination and Related Party Transactions Committee Charter.</p>	
<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	<p>Compliant</p>	<p>https://hoi.com.ph Corporate Governance – Minutes of the Meeting – HI Board</p>	

		Organizational Meeting – July 19, 2019	
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	https://hoi.com.ph Corporate Governance – Minutes of the Meeting – HI Board Organizational Meeting – July 19, 2019	
Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.	Compliant	Corporate Governance Committee Meetings - May 23 and October 29, 2019	
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	The BROC is composed of three members, the majority of whom are independent directors, including the Chairman. The Chairman is not the Chairman of the Board or of any other committee; one member of the committee has relevant thorough knowledge and experience on risk and risk management. The BROC HAS a written charter that defines the duties and responsibilities of its members. The charter WAS approved by the Board of Directors and reviewed and refined periodically. Reference: https://hoi.com.ph Revised Manual on Corporate Governance; Minutes of the Organizational Meeting of HI Board of Directors July 19, 2019	

2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	See above. Reference: https://hoi.com.ph Corporate Governance – Minutes of the Organizational Meeting of the Board - July 19, 2019	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Compliant	See above. Reference: https://hoi.com.ph Corporate Governance – Minutes of the Meeting – HI Board Organizational Meeting – July 19, 2019	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant	See above. Reference https://hoi.com.ph Company Disclosure-SEC Filings/ Annual Report (SEC Form 17-A) Part III Control and Compensation	
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	The Company has incorporated the functions, duties and responsibilities of the Related Party Transactions Committee to the now Corporate Governance, Nomination and Related Party Transaction Committee. Reference https://hoi.com.ph Revised Manual on Corporate Governance; Corporate Governance, Nomination and Related Party Transaction Committee Charter; Minutes of the	

		Meeting – HI Board Organizational Meeting – July 19, 2019	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant	The Committee is composed of three directors, two are independent directors. The Chairman is one of the independent directors.	
Recommendation 3.6			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	The Board has approved the Charters of all Committees of the Company. Reference: https://hoi.com.ph Revised Manual on Corporate Governance – Audit, Board Risk Oversight, Corporate Governance, Nomination and Related Party Transactions and Remuneration Committee Charters	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant	The Charter of the Committees follow standards for evaluating its performance. Reference: https://hoi.com.ph Revised Manual on Corporate Governance – Audit Committee and Board Risk Oversight, Corporate Governance, Nomination and Related Party Transactions Committee Charters – Duties and Responsibilities	
3. Committee Charters were fully disclosed on the company's website.	Compliant	Committee Charters are posted at the Company's website. Reference: https://hoi.com.ph	

		Revised Manual on Corporate Governance – Audit, Board Risk Oversight, Corporate Governance Nomination and Related Party Transactions and Remuneration Committee Charters	
Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.			
Recommendation 4.1			
1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	https://hoi.com.ph Revised Manual on Corporate Governance, Corporate Disclosure – SEC Form 17-C, Directors Attendance; Minutes of BOD Meetings	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	Materials are sent prior to Board and Committee meetings by email and other means. Reference: Revised Manual on Corporate Governance; Duties and functions of the Corporate Secretary.	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	Reference: HI Board of Directors meetings – Feb 22, Apr 5, May 21, July 19, Aug. 7, Oct.4, Oct 28, Nov. 25, Dec 6, 2019 Board Risk Oversight Committee meetings – October 4, and December 6, 2019 Audit Committee meetings – Mar. 19, May 15, Aug. 8, Sep 26, Nov. 11, 2019;	

		Corporate Governance and Nomination Committee Meetings – May 23 & Oct. 29, 2019	
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	The Company has a policy setting the limit of board seats that a non-executive director can hold simultaneously. The same limit applies to independent directors, CEO and other executive directors in order to assure the stockholders that their capacity to diligently and efficiently perform their duties and responsibilities are not compromised. http://hoi.com.ph Revised Manual on Corporate Governance	
1. The directors notify the company's board before accepting a directorship in another company.	Compliant	Directors promptly inform the Board during BOD meetings in cases where they accept directorships in other companies for transparency. Reference: Revised Manual on Corporate Governance.	
Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.			
2. Company schedules board of directors' meetings before the start of the financial year.	Compliant	https://hoi.com.ph Our Company- Amended By-Laws, Stockholders Meetings	

3. Board of directors meet at least six times during the year.	Compliant	HOI Board Meetings - Feb 22, Apr 5, May 21, July 19, Aug. 7, Oct. 4, Oct 28, Nov. 25, Dec 6, 2019
4. Company requires as minimum quorum of at least 2/3 for board decisions.	Compliant	https://hoi.com.ph Our Company - Amended By-Laws - Section 4 - Quorum

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

Recommendation 5.1

1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Compliant	The Board consists of 11 directors, 5 of whom are independent directors. Reference: https://hoi.com.ph Minutes of the Meeting - July 19, 2019 Organizational Meeting of the Board of Directors of HI
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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	All our independent directors possess all the qualifications and none of the disqualifications to hold the positions in compliance with the Revised Manual on Corporate Governance. Reference: https://hoi.com.ph Company Disclosure - SEC Filings/ Annual Report (SEC Form 17-A) Part III Control and Compensation
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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	The Company has no such agreements that may constrain the director's ability to vote independently.
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Recommendation 5.3

<p>1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).</p>	<p>Compliant</p>	<p>This is among the grounds for disqualification of independent directors in the Revised Manual on Corporate Governance. The term of nine years, however, may be extended on a case to case basis and subject to approval by the Board and stockholders.</p> <p>Reference: https://hoi.com.ph Company Disclosure – SEC Filings/SEC Form 17-A Part IV Corporate Governance</p>	
<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	<p>Compliant</p>	<p>See above. https://hoi.com.ph Company Disclosure – SEC Filings/SEC Form 17-A Part IV Corporate Governance</p>	
<p>3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.</p>	<p>Compliant</p>	<p>See Above https://hoi.com.ph Company Disclosure – SEC Filings/SEC Form 17-A Part IV Corporate Governance</p>	
Recommendation 5.4			
<p>1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.</p>	<p>Compliant</p>	<p>The Company's Chairman of the Board and Chief Executive Officer are held by two separate individuals.</p> <p>Reference: https://hoi.com.ph Revised Manual on Corporate Governance; Company Disclosure – SEC Filings/SEC Form 17-A Part III Control and Compensation</p>	

<p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p>	<p>Compliant</p>	<p>The roles, functions and responsibilities of the Chairman of the Board and the Chief Executive Officer are clearly defined in the Company's Revised Manual on Corporate Governance.</p> <p>Reference: https://hoi.com.ph Corporate Governance – Manual on Corporate Governance Part III Implementing Guidelines Item C.1 The Chairperson and the Chief Executive Officer</p>	
<p>Recommendation 5.5</p>			
<p>1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.</p>	<p>Compliant</p>	<p>The Board has designated a lead director among the independent directors during the meeting of the Corporate Governance, Nominations and Related Party Transactions Committee.</p> <p>Reference: Minutes of the Meeting Corporate Governance, Nomination and Related Party Transactions Committee – May 23, 2019.</p>	
<p>Recommendation 5.6</p>			
<p>1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.</p>	<p>Compliant</p>	<p>The Corporate Governance, Nominations and Related Party Transactions Committee issued Questionnaires to be filled-up by Directors which required them to declare any transactions they have had with the Company. For 2019, there is no record of directors with</p>	

		<p>material interest entering transactions/contracts with the Company.</p> <p>Reference: Revised Manual on Corporate Governance; Policy on Related Party Transactions; RPT Forms – Biographical Data and RPT Questionnaire</p>	
Recommendation 5.7			
<p>1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.</p>	Compliant	<p>The Revised Manual on Corporate Governance provides that the Audit Committee may meet with the Board at least every quarter without the presence of the CEO or other management team members, and periodically meets with the head of the internal audit.</p> <p>Reference: Revised Manual on Corporate Governance; Audit Committee Charter.</p>	
<p>2. The meetings are chaired by the lead independent director.</p>	Compliant	<p>The Company has appointed a lead Director for the year 2019. He chairs meetings of independent directors scheduled before every Annual Stockholders' Meeting.</p> <p>Reference: Minutes of Meeting – May 23, 2019</p>	
Optional: Principle 5			
<p>1. None of the directors is a former CEO of the company in the past 2 years.</p>			

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

Recommendation 6.1

1. Board conducts an annual self-assessment of its performance as a whole.	Compliant	The Directors, Chairman, CEO and other officers of the Company are required to accomplish, annually, a Self-Assessment Questionnaire which are compiled by the Compliance Officer. Reference: Revised Manual on Corporate Governance; Self-Assessment Questionnaire; Minutes of meeting, Corporate Governance, Nominations and Related Party Transactions Committee May 23, 2019.	
2. The Chairman conducts a self-assessment of his performance.	Compliant		
3. The individual members conduct a self-assessment of their performance.	Compliant		
4. Each committee conducts a self-assessment of its performance.	Compliant		
5. Every three years, the assessments are supported by an external facilitator.	Not Compliant	Services of external facilitator will be availed after the three-year implementation period of the assessment process. It will be done in 2021.	For next year's compliance.

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	It is embedded in the Corporate Governance, Nomination Committee and Related Party Transaction Committee Charter.	
2. The system allows for a feedback mechanism from the shareholders.	Compliant	https://hoi.com.ph Revised Manual on Corporate Governance; Minutes of the Meeting Annual Stockholders Meeting	

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

Recommendation 7.1

<p>1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behaviour, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.</p>	<p>Compliant</p>	<p>The Company has set up a Code of Business Conduct and Ethics, to be strictly observed and followed by all directors, officers and employees. The said Code forms part of the personnel Handbook copies of which are distributed to all directors, officers and employees for their information. Any updates are also disseminated. It is also disclosed and made available to the public through the company website.</p> <p>Reference: https://hoi.com.ph Revised Manual on Corporate Governance; Code of Business Conduct and Ethics.</p>	
<p>2. The Code is properly disseminated to the Board, senior management and employees.</p>	<p>Compliant</p>	<p>Copies of the Code of Business Conduct are given to all directors, officers and employees and the code is also uploaded in the Company's website.</p> <p>Reference: https://hoi.com.ph Code of Business Conduct and Ethics</p>	
<p>3. The Code is disclosed and made available to the public through the company website.</p>	<p>Compliant</p>	<p>The Code of Business Conduct and Ethics was uploaded in the Company's website.</p> <p>Reference: https://hoi.com.ph</p>	

		Revised Manual on Corporate Governance; Code of Business Conduct and Ethics	
Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Compliant	https://hoi.com.ph Revised Manual on Corporate Governance; Code of Business Conduct and Ethics	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	Annually, all officers and employees are required to sign their affirmation and promise to comply with the Code of Business Conduct and Ethics and internal policies. The signed documents are included in the 201 files of each employee.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	All officers and employees are required to comply with the Code of Business Conduct and Ethics. There were no findings on non-compliance for the past three years.	
Disclosure and Transparency			
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's	Compliant	All material information such as financial status, current events affecting the Company and other information are disclosed to government regulatory agencies through corporate disclosures and	

financial condition, results and business operations.		subsequently uploaded in the company's website. Reference: https://hoi.com.ph	
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	Consolidated and interim reports were uploaded in the Company's website at least one day after such reports were submitted/accepted by the regulatory agencies. Reference: https://hoi.com.ph	
2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	Compliant	https://hoi.com.ph Company Disclosures – SEC Filings Annual Report (17-A)	
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	Board of Directors and officers are required to inform the Compliance Officer of any such dealings for proper disclosure.	
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	Reference: https://hoi.com.ph Revised Manual on Corporate Governance; Code of Conduct and Business Ethics	
Supplement to Recommendation 8.2			

<p>1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).</p>	<p>Compliant</p>	<p>Board of Directors and officers are required to inform the Compliance Officer of any such dealings for proper disclosure. They are required to fill-up annually an RPT Questionnaire and Biographical Data Form.</p> <p>Reference: Charter of the Committee on Corporate Governance, Nominations and Related Party Transactions; RPT forms.</p>	
Recommendation 8.3			
<p>1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	<p>Compliant</p>	<p>https://hoi.com.ph Company Disclosures – SEC Filings Annual Report (17-A) Part III Control and Compensation</p>	
<p>2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	<p>Compliant</p>	<p>https://hoi.com.ph Company Disclosures – SEC Filings Annual Report (17-A) Part III Control and Compensation and Security Ownership of Management</p>	
Recommendation 8.4			
<p>1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.</p>	<p>Compliant</p>	<p>https://hoi.com.ph Company Disclosures – SEC Filings Annual Report (17-A) Part III Control and Compensation – Item 10 – Executive Compensation</p>	
<p>2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.</p>	<p>Compliant</p>	<p>https://hoi.com.ph Company Disclosures – SEC Filings Annual Report (17-A) Part III Control</p>	

		and Compensation – Item 10 – Executive Compensation	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	https://hoi.com.ph Company Disclosures – SEC Filings Annual Report (17-A) Part III Control and Compensation – Item 10 – Executive Compensation	
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	The Corporate Governance, Nomination and Related Party Transactions Committee just approved a Policy on Related Party Transactions at its meeting last May 23, 2019. https://hoi.com.ph Corporate Governance – Manual on Corporate Governance Part III – Implementing Guidelines - Corporate Governance, Nomination and Related Party Transactions Committee; Policy on Related Party Transactions.	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	https://hoi.com.ph Company Disclosures – SEC Filings – Consolidated Financial Statements – Related Party Transactions	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	The directors are required to fill-up annually an RPT Questionnaire and Biographical Data. There are no transactions between the Board of Directors and the Company that may result in conflict of interest. Reference:	

		Revised Manual on Corporate Governance; Policy on Related Party Transactions.	
Optional : Recommendation 8.5			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	Compliant	https://hoi.com.ph Company Disclosures – SEC Filings – Consolidated Financial Statements – Related Party Transactions; Code of Business Conduct and Ethics; Policy on Related Party Transactions.	
Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Compliant	The Company timely disclose such material facts or events thru a press release and after it has been disclosed to the regulatory agencies. Reference: https://hoi.com.ph Company Disclosures – Press release; SEC Filing.	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant	The appointment of an independent party to evaluate the fairness of the transaction is being done after the due diligence process and before the finalization of the contract.	
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	There are no shareholder agreements, voting trust agreements and any other such agreements that may impact on the control, ownership, and strategic direction of the company.	
Recommendation 8.7			

1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	https://hoi.com.ph Revised Manual on Corporate Governance - Corporate Governance, Nominations and Related Party Transactions Committee; Charter of the Corporate Governance, Nominations and Related Party Transactions Committee.	
2. Company's MCG is submitted to the SEC and PSE.	Compliant	The Company's MCG was submitted to SEC/PSE last May 30, 2017; it was revised in 2019 to incorporate SEC requirements on Related Party Transactions.	
3. Company's MCG is posted on its company website.	Compliant	Yes, it is found in the Company's website. Reference: https://hoi.com.ph Corporate Governance – Manual of Corporate Governance	

Supplement to Recommendation 8.7

1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	https://hoi.com.ph Corporate Governance – Manual on Corporate Governance	
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Optional: Principle 8

1. Does the company's Annual Report disclose the following information:	Compliant	The Company's Annual Report is posted in the Company's website. https://hoi.com.ph Company Disclosures SEC Filing – Annual Report (SEC Form 17-A)	
a. Corporate Objectives	Compliant		
b. Financial performance indicators	Compliant		
c. Non-financial performance indicators	Compliant		
d. Dividend Policy	Compliant		

e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant	
f. Attendance details of each director in all directors' meetings held during the year	Compliant	Certificate of Attendance to Board Meetings issued by the Corporate Secretary are submitted to SEC. Reference: https://hoi.com.ph Company Disclosures SEC Filing – Annual Report (SEC Form 17-A)
g. Total remuneration of each member of the board of directors	Compliant	https://hoi.com.ph Company Disclosures SEC Filing – Annual Report (SEC Form 17-A) Part III –Control and Compensation
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.	Compliant	https://hoi.com.ph Company Disclosures SEC Filing – Annual Report (SEC Form 17-A) Part IV Corporate Governance
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	Compliant	https://hoi.com.ph Company Disclosures SEC Filing – Annual Report (SEC Form 17-A – Statement of Management Responsibility for consolidated financial statements
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	Compliant	https://hoi.com.ph Company Disclosures SEC Filing – Annual Report (SEC Form 17-A – Statement of Management Responsibility for consolidated financial statements

<p>5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).</p>	<p>Compliant</p>	<p>https://hoi.com.ph Company Disclosures SEC Filing – Annual Report (SEC Form 17-A – Part I Business and General Information</p>	
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Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

Recommendation 9.1

<p>1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.</p>	<p>Compliant</p>	<p>The Revised Manual on Corporate Governance provides for process for the approval, recommendation, appointment, removal and fees of external auditors. The said process is further detailed in the Charter of the Audit Committee. Those matters are also discussed during the Audit Committee meetings. Reference: https://hoi.com.ph Corporate Governance – Audit Committee Charter Item 3 – Roles and Responsibilities; Audit Committee Charter; Minutes of Meeting of Audit Committee.</p>	
<p>2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.</p>	<p>Compliant</p>	<p>The Company's Internal Audit Group recommends to the Audit Committee the appointment, reappointment, removal and fees of external auditor. The Audit Committee, if it approves the recommendation, submits the same for approval by the Board and the shareholders. Reference:</p>	

		<p>https://hoi.com.ph Corporate Governance – Audit Committee Charter Item 3 – Roles and Responsibilities; Audit Committee Charter; Minutes of Meeting of Audit Committee.</p>	
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant	<p>The grounds for the removal or change of external auditor are enumerated in the Audit Committee Charter. However, there is yet no event for the years the Company has been operating that an external auditor was removed. Reference: https://hoi.com.ph Corporate Governance – Audit Committee Charter Item 3, Roles and Responsibilities</p>	
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	<p>The Audit Committee sees to it that the lead audit partner is rotated every five years pursuant to the requirement of the Securities and Exchange Commission. https://hoi.com.ph Revised Manual on Corporate Governance; Audit Committee Charter Item 3, Roles and Responsibilities</p>	
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on:		<p>https://hoi.com.ph Corporate Governance – Audit Committee Charter Item 3, Roles and Responsibilities</p>	
i. assessing the integrity and independence of external auditors;			

<p>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</p> <p>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</p>	Compliant		
<p>2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	Compliant	<p>https://hoi.com.ph Corporate Governance – Audit Committee Charter Item 3, Roles and Responsibilities</p>	
Supplement to Recommendations 9.2			
<p>1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.</p>	Compliant	<p>https://hoi.com.ph Corporate Governance – Audit Committee Charter Item 3, Roles and Responsibilities</p>	
<p>2. Audit Committee ensures that the external auditor has adequate quality control procedures.</p>	Compliant	<p>https://hoi.com.ph Corporate Governance – Audit Committee Charter Item 3, Roles and Responsibilities</p>	
Recommendation 9.3			
<p>1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.</p>	Compliant	<p>The external auditors were contracted solely for audit purposes and not for other services.</p>	
<p>2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.</p>	Compliant	<p>https://hoi.com.ph Corporate Governance – Audit Committee Charter Item 3, Roles and Responsibilities</p>	

Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	The external auditors were contracted solely for audit purposes and not for other services.	

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 is SGV's Ms. Wenda Lynn M. Loyala with Accreditation Number 1540-A; Date Accredited: January 10, 2019; Expiry date of accreditation: January 9, 2022 <ul style="list-style-type: none"> • SGV & Co, Ayala Avenue, Makati City 	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	Compliant	SGV & Co has not been visited/ subjected to SOAR inspection.	

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

Recommendation 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Compliant	https://hoi.com.ph Revised Manual on Corporate Governance; Board Risk Oversight Committee; Duties and Functions of the Chief Risk Officer; Corporate Disclosure – SEC Filings/ Annual Report (SEC Form 17-A)).
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	https://hoi.com.ph Corporate Disclosure – SEC Filings/ Annual Report (SEC Form 17-A)	

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

Recommendation 11.1

1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	Compliant	<p>https://hoi.com.ph</p> <p>a. Analysts briefing b. Media briefings/press conferences, c. Quarterly reporting, Current reporting, etc.)</p> <p>Investor Relations Officer- Manual on Corporate Governance</p>	
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Supplemental to Principle 11

1. Company has a website disclosing up-to-date information on the following:	Compliant	The Company's website is: https://hoi.com.ph	
a. Financial statements/reports (latest quarterly)	Compliant	Financial reports are distributed to attendees of briefings including analysts and media. Corporate Disclosure – SEC Filings/ Annual Report (SEC Form 17-A)	
b. Materials provided in briefings to analysts and media	Compliant		
c. Downloadable annual report	Compliant		
d. Notice of ASM and/or SSM	Compliant		
e. Minutes of ASM and/or SSM	Compliant		
f. Company's Articles of Incorporation and By-Laws	Compliant	<p>https://hoi.com.ph</p> <p>Our Company – Articles of Incorporation and By Laws</p>	

Additional Recommendation to Principle 11

1. Company complies with SEC-prescribed website template.	Compliant	Yes, the compliant with the SEC requirements on website template. https://hoi.com.ph	
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Internal Control System and Risk Management Framework

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

Recommendation 12.1

<p>1. Company has an adequate and effective internal control system in the conduct of its business.</p>	<p>Compliant</p>	<p>Service programs ensure adequacy of internal control systems.</p> <ol style="list-style-type: none"> Attendance of each director is monitored and reported. All the financial reports were reviewed by the Audit Committee before being finalized and endorsed to the Board of Directors for approval and submission to pertinent offices. <p>Systems and measures have been undertaken such as strict observance of Code of Business Conduct and Ethics, financial and manpower audit, employees are required to attend seminars and continuous monitoring of compliance to government reportorial requirements.</p>	
<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>Compliant</p>	<p>https://hoi.com.ph</p> <p>Manual on Enterprise Risk Management.</p> <p>Review of the enterprise risk management framework is adequate since it is done annually and approved by top management after the review of the Audit, Risk Council and Board Risk Oversight Committees.</p>	
<p>Supplement to Recommendations 12.1</p>			
<p>1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and</p>	<p>Compliant</p>	<p>To ensure compliance with laws and relevant regulations for Bureau of Internal Revenue, accounting staff is</p>	

<p>relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.</p>		<p>assigned to monitor the compliance for monthly, quarterly and semi-annual and annual reports. Results of the monitoring is reported to the Controller on a monthly basis. For SEC and PSE, reports compliance is coordinated between the Compliance Officer and Accounting Department and Business Development Office. Accounting handles the structured reports while the Compliance and Business Development Office are assigned to comply with the unstructured reports.</p> <p>Frequency of review: monthly, quarterly, semi-annual and annual</p>	
Optional: Recommendation 12.1			
<p>1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.</p>	<p>Compliant</p>	<p>IT governance process and policies are kept and updated regularly by IT Department. Reference: IT Policies</p>	
Recommendation 12.2			
<p>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.</p>	<p>Compliant</p>	<p>The Company has an Internal Audit Department which directly reports to the Audit Committee.</p>	
Recommendation 12.3			
<p>1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.</p>	<p>Compliant</p>	<p>SVP, Alexander Anthony G. Galang was appointed Chief Audit Executive (CAE) of the Company.</p>	

		Reference: https://hoi.com.ph Corporate Disclosure – Manual of Corporate Governance – Part III Implementing Guidelines- Item O Accountability and Audit No. 3 Chief Audit Executive; HI's Officers and Directors.	
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	https://hoi.com.ph Corporate Disclosure – Manual of Corporate Governance – Part III Implementing Guidelines- Item O Accountability and Audit - No. 3 Chief Audit Executive; Audit Committee Charter	
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	The Company has an Internal Audit Department that reports to the Audit Committee although there are some audit activities done by external auditors who are directly under the supervision of the Chief Audit Executive. Reference: Audit Committee Charter	
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	https://hoi.com.ph Corporate Governance – Revised Manual on Corporate Governance – Part III Implementing guidelines item K No. 4. Board Risk Oversight Committee; Board Risk Oversight Committee Charter	
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	Compliant	The services of SGV were engaged during the implementation of	

		Enterprise Wide Risk Management Program for the Mapua Group.	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	VP EDGARDO AUGUSTO R. GRAU, JR. was appointed Chief Risk Officer (CRO) in 2019 vice AVP Jose Tanjangco III Reference: https://hoi.com.ph List of Company Director and Officers	
2. CRO has adequate authority, stature, resources and support to fulfil his/her responsibilities.	Compliant	CRO has adequate authority emanating from the Board Risk Oversight Committee and the President.	
Additional Recommendation to Principle 12			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Compliant	The Company's Chief Executive Officer, Mr. Lorenzo V. Tan and the Chief Audit Executive, Mr. Alexander Anthony G. Galang annually attest in writing that a sound internal audit, control and compliance system is in place and working effectively. https://hoi.com.ph Corporate Governance – CEO and CAE's attestation	
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	https://hoi.com.ph Corporate Governance – Revised Manual on Corporate Governance – Implementing Guidelines Item Q	

2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	https://hoi.com.ph Corporate Governance – Revised Manual on Corporate Governance – Implementing Guidelines Item Q	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	Compliant	https://hoi.com.ph Our Company – Amended By- Laws	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	https://hoi.com.ph Corporate Governance – Revised Manual on Corporate Governance – Implementing Guidelines Item Q	
3. Board has an effective, secure, and efficient voting system.	Compliant	https://hoi.com.ph Corporate Governance – Revised Manual on Corporate Governance – Implementing Guidelines Item Q	
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	https://hoi.com.ph Corporate Governance – Revised Manual on Corporate Governance – Implementing Guidelines Item Q	
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	https://hoi.com.ph Corporate Governance – Revised Manual on Corporate Governance – Implementing Guidelines Item Q	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	https://hoi.com.ph Corporate Governance – Revised Manual on Corporate Governance – Implementing Guidelines Item Q	
7. Company has a transparent and specific dividend policy.	Compliant	Dividends declared are paid on the average 20 to 26 days after date of declaration. The company has not declared scrip dividends for the last five years. Reference:	

		https://hoi.com.ph Our Company – Amended By-Laws- Article 5 Dividends and Finance; Corporate Disclosure-SEC Filings/SEC Form 17-A – Part II Operational and Financial Information item 5	
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.	Not Compliant	The notice and agenda of stockholders' meeting or special stockholders' meeting are sent 15 days before the actual meeting, in compliance with Company's By-Laws.	Historically, the notice and agenda of stockholders' meeting or special stockholder's meeting are sent 15 days before the actual meeting in compliance with the Company's By-Laws. The Company cannot comply with the 28-day notice due to logistical limitations. Despite such limitations, however, there was never a time that "active shareholder participation" was hampered due to the 15-day notice which the Company adopts.
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Complaint	https://hoi.com.ph Corporate Governance- Articles of Incorporation and By Laws.	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Complaint	Although they are not detailed in the notice, the data are in the SEC Form 17 – A given to them as materials during the meeting. https://hoi.com.ph Company Disclosure – SEC Filings/	

		Annual Report (SEC Form 17-A)-Part III Control and Compensation Information.	
b. Auditors seeking appointment/re-appointment	Compliant	https://hoi.com.ph Notice of Annual Stockholders Meeting	
c. Proxy documents	Compliant	https://hoi.com.ph Notice of Annual Stockholders Meeting	
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting		Provide link or reference to the rationale for the agenda items	
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	https://hoi.com.ph Company Disclosures - Minutes of the Meeting - Annual Stockholders Meeting	
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	https://hoi.com.ph Company Disclosures - Minutes of the Meeting-Annual Stockholders Meeting	
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	https://hoi.com.ph Company Disclosures - Minutes of the Meeting - Annual Stockholders Meeting	
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute	Compliant	https://hoi.com.ph	

mechanism to resolve intra-corporate disputes in an amicable and effective manner.		Corporate Governance – Revised Manual on Corporate Governance – Grievance Procedures	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	https://hoi.com.ph Corporate Governance – Revised Manual on Corporate Governance – Grievance Procedures	
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	The company included media and analysts' briefing as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors. The Board appointed an Investor Relations Officer in the person of VP-Ms. MA ESPERANZA F. JOVEN. Her contact details are reflected in the Company's website. Reference: https://hoi.com.ph Revised Manual on Corporate Governance	
2. IRO is present at every shareholder's meeting.	Compliant	IRO is present during the ASM to answer questions posed by the shareholders and media. Reference: Minutes of Annual Stockholder's Meeting	
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant	There are no takeover measures.	

2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Compliant	The company's public float as of December 31, 2019 is 48.98%.	
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	Compliant	An Analyst Briefing is scheduled at the end of each Annual Stockholders Meeting.	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.			
Duties to Stakeholders			
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	https://hoi.com.ph Company Disclosures – SEC Form 17-11- List of Stockholders and Sec Form 17-12 – Top 100 Stockholders.	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	https://hoi.com.ph Corporate Governance – Revised Manual on Corporate Governance – Part III -Implementing Guidelines – Q-Stockholders Rights and Protection of Minority Stockholders Interest	
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	The Company appointed VP Finance, Ms. Ma. Esperanza F. Joven as Chief Re https://hoi.com.ph Revised Manual on Corporate Governance; Whistle Blowing Policy.	
Supplement to Recommendation 14.3			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	Compliant	https://hoi.com.ph Corporate Governance – Revised Manual on Corporate Governance – Part III -Implementing Guidelines – Q-Stockholders Rights and Protection of Minority Stockholders Interest – Item 2-Grievance Procedure	
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 does not request exemption from complying with any government regulatory agencies.	
2. Company respects intellectual property rights.	Compliant	There are no instances that this provision was violated. Reference: https://hoi.com.ph Revised Manual on Corporate Governance; Code of Business Conduct and Ethics	
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	Compliant	https://hoi.com.ph	

		Revised Manual on Corporate Governance; Code of Business Conduct and Ethics	
2. Company discloses its policies and practices that address supplier/contractor selection procedures.	Compliant	https://hoi.com.ph Revised Manual on Corporate Governance; Code of Business Conduct and Ethics; Company Procurement Procedure	

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

Recommendation 15.1

1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Compliant	To encourage employees to actively participate in the realization of the company's goals and its governance, the Company uses the merit based system to determine the annual salary increases of officers and employees of the company.	
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Supplement to Recommendation 15.1

1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	Compliant	Merit based system is used to determine the annual salary increases of officers and employees of the company.	
2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	To maintain the physical well-being, employees are required to undergo annual physical examination. Also, employees are entitled to medicine reimbursements, group insurance hospitalization and personal accident insurance policy.	

3. Company has policies and practices on training and development of its employees.	Compliant	The Company includes in the annual evaluation form of all directors, officers and employees the trainings and seminars attended during the period and training and learnings needed for the coming year.	
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Compliant	https://hoi.com.ph Revised Manual on Corporate Governance; Code of Business Conduct and Ethics - Fair Dealing, Gifts, entertainment and gifts.	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	Annually, all employees are required to sign a disclosure statement attesting that they have read and understand all the company policies and programs.	
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	Compliant	https://hoi.com.ph Revised Manual on Corporate Governance; Code of Business Conduct and Ethics - Policy Violations- Employees Manual	
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Compliant	https://hoi.com.ph Revised Manual on Corporate Governance; Whistle Blowing Policy	
2. Board establishes a suitable framework for whistleblowing that allows employees to	Compliant	The Company's Legal Officer handles the investigation of cases	

<p>have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.</p>		<p>which emanated from a whistle blower.</p> <p>Reference: https://hoi.com.ph Revised Manual on Corporate Governance; Whistle Blowing Policy</p>	
<p>3. Board supervises and ensures the enforcement of the whistleblowing framework.</p>	<p>Compliant</p>	<p>https://hoi.com.ph Revised Manual on Corporate Governance; Whistle Blowing Policy</p>	
<p>Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.</p>			
<p>Recommendation 16.1</p>			
<p>1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.</p>	<p>Compliant</p>	<p>Sustainability Report will be due for submission to the SEC in 2020.</p> <p>Reference: https://hoi.com.ph Revised Manual on Corporate Governance; Corporate Social Responsibility</p>	
<p>Optional: Principle 16</p>			
<p>1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development</p>	<p>Compliant</p>	<p>https://hoi.com.ph Revised Manual on Corporate Governance; Corporate Social Responsibility</p>	
<p>2. Company exerts effort to interact positively with the communities in which it operates</p>	<p>Compliant</p>	<p>https://hoi.com.ph Revised Manual on Corporate Governance; Corporate Social Responsibility</p>	



HELEN Y. DEE
Chairman of the Board

LORENZO V. TAN
President and Chief Executive Officer



ROBERTO F. DE OCAMPO
Independent Director



JUAN B. SANTOS
Independent Director



JOHN MARK S. FRONDOSO
Independent Director



ERMILANDO D. NAPA
Independent Director



FRANCISCO H. LICUANAN
Independent director



LALAINÉ P. MONSERATE
Compliance Officer



SAMUEL V. TORRES
Corporate Secretary

JUN 15 2020

SUBSCRIBED AND SWORN TO before me this ___ day of ___, 2020 at Makati City Philippines, affiants exhibiting to me their competent identifications:

Name	Identification No.	Date Issued	Date Expiration
Helen Y. Dee	P5952727A	08 FEB 2018	07 FEB 2028
Lorenzo V. Tan	A4549834A	SEPT 29, 2017	SEPT 28, 2022
Roberto F. De Ocampo	EC6721113	FEB. 10, 2016	FEB. 9, 2021
Juan B. Santos	Passport P44X52204	9/19/17	9/18/22
John Mark S. Frondoso	Passport PA47A137A	09 NOV 2018	08 NOV 2028
Ermilando D. Napa	Passport P2512053B	July 11, 2019	July 19, 2029
Francisco H. Licuanan	Passport P2052028B	25 APR 2019	25 APR 2029
Lalaine P. Monserate	Passport 626724740	09/02/2016	08/02/2021
Samuel V. Torres	Passport P2203109A	08 March 2017	07 March 2022

WITNESS my hand and seal on the date and place above mentioned.

NOTARY PUBLIC



JOSHUA P. LAPUZ
 Notary Public for Makati City
 Appointment No. M-66 / Until 12-31-2021
 Roll No. 45790 / IBP Lifetime No. 04897 / 7-3-03
 PTR O.R. No. 8116016 / 1-2-20 / Makati City
 MCLE No. VI-0016565 / 1-14-19
 G/F, Fedman Sultes, 199 Salcedo St.
 Legazpi Village, 1229 Makati City

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