



LT GROUP, INC.

28 May 2021

**SECURITIES AND EXCHANGE COMMISSION**

G/F, Secretariat Building, PICC Complex  
Roxas Boulevard, Pasay City, 1307

**Attention** : **Rachel Esther Gumbang-Remalante**  
Director  
Corporate Governance and Finance Department

**Re** : **Incomplete Signatures on the 2020 Integrated  
Annual Corporate Governance Report (I-ACGR)**

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Dear Director Gumbang-Remalante:

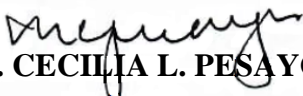
We write to inform the Commission that the Chairman and Chief Executive Officer of LT Group, Inc. ("Corporation"), Dr. Lucio C. Tan is unavailable to sign the 2020 Integrated Annual Corporate Governance Report of the Corporation due to inevitable circumstances. The Corporation would like to emphasize that it is never its intention to violate the rules of the SEC and that we promise to submit the necessary signature page with the complete signatures once he becomes available.

Should you wish any further information regarding any matter contained herein, please do not hesitate to contact us at [macecilia.pesayco@ltg.com.ph](mailto:macecilia.pesayco@ltg.com.ph).

Thank you.

Very truly yours,  
**LT GROUP, INC.**

By:

  
**MA. CECILIA L. PESAYCO**  
Corporate Secretary



## SEC FORM – 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) <b>“Recommendations”</b> – derived from the CG Code for PLCs;</p> <p>(2) <b>“Supplement to Recommendation”</b> – derived from the PSE CG Guidelines for Listed Companies;</p> <p>(3) <b>“Additional Recommendations”</b> – CG Practices not found in the CG Code for PLCs and PSE CG Guidelines but are expected already of PLCs; and</p> <p>(4) <b>“Optional Recommendation”</b> – practices taken from the ASEAN Corporate Governance Scorecard</p> | <p>The company shall <b>indicate compliance or non-compliance</b> with the recommended practice.</p> | <p>The company shall provide additional information to <b>support their compliance</b> with the recommended CG practice</p> | <p>The PLCs shall <b>provide the explanations for any non-compliance</b>, pursuant to the “comply or explain” approach.</p> <p>Please note that the explanation given should describe the non-compliance and include <b>how the overall Principle being recommended is still being achieved</b> by the company.</p> <p><b>*“Not Applicable” or “None” shall not be considered as sufficient explanation</b></p> |

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| <p><b>*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.</b></p> |  |  |  |
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### 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 ended **2020**
2. SEC Identification Number **PW-343** 3. BIR Tax Identification No. **121-145-650-000**
4. Exact name of issuer as specified in its charter **LT Group, Inc.**
5. **Philippines**.....6.  (Use Only)  
Province, Country or other jurisdiction of Industry Classification Code:  
incorporation or organization
7. **11<sup>th</sup> Floor Unit 3, Bench Tower, 30<sup>th</sup> corner Rizal Dr., BGC Taguig City 1634**  
Address of principal office Postal Code
8. **(632) 816 3311 local 3453**  
Issuer's telephone number, including area code
9. **N/A**  
Former name, former address, and former fiscal year, if changed since last report.

## INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

|   | COMPLIANT/<br>NON-<br>COMPLIANT | ADDITIONAL INFORMATION   | EXPLANATION |
|---|---------------------------------|--|-------------|
| <b>The Board's Governance Responsibilities</b>  |                                 |  |             |
| <b>Principle 1:</b> 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. |                                 |  |             |
| 1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.   | COMPLIANT                       | Under III.G. (page 9) of LT Group, Inc.'s (the "Company" or "LTG" or the "Corporation") Revised Manual on Corporate Governance, the following are "minimum qualification requirements" for the appointment of a Board Director:<br><br>1. Holder of at least one thousand (1000) shares of stock of the Company;<br><br>2. Bachelor's degree or equivalent experience in managing the business as gained from the profession and/or industry;<br><br>3. At least twenty-one (21) years of age; |             |
| 2. Board has an appropriate mix of competence and expertise.  | COMPLIANT                       |  |             |
| 3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.  | COMPLIANT                       |  |             |

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|  |  | <p>4. Proven to possess integrity and probity;<br/>and</p> <p>5. Have attended an <u>annual</u> seminar on corporate governance with a duly accredited or recognized private or government institution and submitted a copy of his/her certificate of attendance to the Compliance Officer which seminar shall not be less than four (4) hours.</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf</a></p> <p>Likewise, a list of academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of the directors is uploaded in the Company website at <a href="https://ltg.com.ph/leadership/">https://ltg.com.ph/leadership/</a>.</p> <p>Other references:</p> <p>2020 Definitive Information Statement (pages 5 to 9)</p> |  |
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|                           |  | <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/05/LTG-2020-Amended-Definitive-Information-Statement.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/05/LTG-2020-Amended-Definitive-Information-Statement.pdf</a></p> <p>2020 LTG Annual Report (pages 28 to 29)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a></p> <p>Nomination and Compensation Committee Charter, Article 5.1 (pages 4 to 5)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf</a></p> <p>Board Committees &gt; Nomination and Compensation</p> <p><a href="https://ltg.com.ph/board-committees/">https://ltg.com.ph/board-committees/</a></p> <p>Amended By-Laws, Article 2 Sections 1 to 6 (pages 1 to 5)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/LTG-Amended-By-Laws-2019.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/LTG-Amended-By-Laws-2019.pdf</a></p> |  |
| <b>Recommendation 1.2</b> |  |  |  |

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| <p>1. Board is composed of a majority of non-executive directors.</p> | <p>COMPLIANT</p> | <p>In accordance with the Company's Revised Manual on Corporate Governance which requires that the Board consist of 11 members, majority of whom must be Non-Executive Directors, the Board is composed of 11 members, with 8 non-executive directors, namely:</p> <p>Carmen K. Tan, Harry C. Tan, Lucio C. Tan III, Vivienne K. Tan, Florencia G. Tarriela, Wilfrido E. Sanchez, Johnip G. Cua and Mary G. Ng.</p> <p>LTG Revised Manual on Corporate Governance Section III.F (page 9)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>The composition of the Board of Directors may likewise be viewed at <a href="https://ltg.com.ph/leadership/">https://ltg.com.ph/leadership/</a></p> <p>Other references:</p> <p>Minutes of the Annual Stockholders' Meeting of LTG on 30 June 2020 - Section VIII. Election of Directors (pages 4 to 6)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/Minutes-of-Annual-">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/Minutes-of-Annual-</a></p> |  |
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|  |           | <p>Stockholders%E2%80%99-Meeting-June-30-2020.pdf</p> <p>Amended By-Laws, Article 2 Sections 1 to 6 (pages 1 to 5)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/LTG-Amended-By-Laws-2019.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/LTG-Amended-By-Laws-2019.pdf</a></p>   |  |
| <b>Recommendation 1.3</b>  |           |   |  |
| 1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors. | COMPLIANT | <p>The Corporation's revised Manual on Corporate Governance provides that,</p> <p>"All new Directors are required to undergo an orientation program which will enable them to be informed of the Company's business, corporate structure, vision, mission and all other matters necessary for the effective performance of their duties and responsibilities.</p> <p>Directors are likewise required to undergo the annual training seminar on corporate governance even while the Corporate Secretary gives periodic updates on PSE/SEC Memorandum Circulars and other developments."</p> <p>Moreover, the Company provides trainings/seminars regarding developments in Tax and policies which might or will affect the conduct of business. For this matter, the</p> |  |
| 2. Company has an orientation program for first time directors.  | COMPLIANT |   |  |

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|   |           | <p>Company, in conjunction with its subsidiaries' resource persons or experts in their respective fields, conducts trainings or exposures in law, taxes, sustainability initiatives and economic impacts of governmental actions.”</p> <p>LTG's Revised Manual on Corporate Governance, Section III.C (page 6)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> |  |
| 3. Company has relevant annual continuing training for all directors. | COMPLIANT | <p>Last 20 October 2020, all Directors and Key Officers of the Company attended a Corporate Governance training webinar conducted by the firm of Sycip, Gorres, Velayo &amp; Company (SGV &amp; Co.).</p> <p>Copies of the Certificates of Attendance by the Company's Board of Directors and Key Officers are uploaded in the Company's website at:</p> <p><a href="https://ltg.com.ph/certifications-of-attendance/">https://ltg.com.ph/certifications-of-attendance/</a></p>   |  |
| <b>Recommendation 1.4</b>   |           |   |  |
| 1. Board has a policy on board diversity.                             | COMPLIANT | <p>The primary purpose of the creation of the Nomination and Compensation Committee is to ensure that there will be a formal and transparent Board nomination process. This includes the selection, compensation, monitoring and</p>  |  |

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|  |  | <p>replacement of key executives when necessary, as well as overseeing the succession planning.</p> <p>In determining the nominees to the Board, the Committee is guided by a set of qualifications. Moreover, they likewise ensure that the Board will be composed of both men and women so as to allow the productive exchange of ideas for the benefit of the Company.</p> <p>In addition, the Committee considers not only the diverse work experience and education of the nominee, but willfully elects women directors with excellent work experience and expertise to the Board.</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf</a> Articles 4 to 6 (pages 3 to 10)</p> <p>In 2020, the Company has five (5) women directors, namely: Ms. Carmen K. Tan, Ms. Vivienne K. Tan, Ms. Florencia G. Tarriela, Ms. Juanita T. Tan Lee and Ms. Mary G. Ng.</p> <p>Gender aside, LTG's Board of Directors represent diversity in industry specialties and</p> |  |
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|  |  | <p>combined hundreds of years in business and technical experience.</p> <p><a href="https://ltg.com.ph/leadership/">https://ltg.com.ph/leadership/</a></p> <p>2020 Definitive Information Statement (pages 5 to 9)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/05/LTG-2020-Amended-Definitive-Information-">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/05/LTG-2020-Amended-Definitive-Information-</a></p> <p>2020 LTG Annual Report (pages 28 to 29)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a></p> <p>Amended By-Laws, Article II (pages 1 to 5)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/LTG-Amended-By-Laws-2019.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/LTG-Amended-By-Laws-2019.pdf</a></p> <p>Nomination and Compensation Committee Charter Article 5.1 (pages 4 to 5)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf</a></p> |  |
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|  |           | 2020 Sustainability Report (Stand-alone)<br><a href="https://ltg.com.ph/sustainability-reports/">https://ltg.com.ph/sustainability-reports/</a>  |  |
| <b>Optional: Recommendation 1.4</b>  |           |  |  |
| 1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives. | COMPLIANT | <p>As provided above, the Nomination and Compensation Committee ensures that a formal and transparent Board nomination process is conducted.</p> <p>They evaluate the qualifications of the nominees based on the guidelines as provided in the Committee Charter, and observe the policy of nominating individuals who are experienced and knowledgeable about the different sectors of the Group, such as banking, tobacco, liquor, real estate and beverage companies.</p> <p>In 2020, the Company elected five (5) women as members of its Board of Directors. They are Ms. Carmen K. Tan, Ms. Vivienne K. Tan, Ms. Florencia G. Tarriela, Ms. Juanita T. Tan Lee and Ms. Mary G. Ng.</p> <p>Their qualifications and directorships may be viewed at <a href="https://ltg.com.ph/leadership/">https://ltg.com.ph/leadership/</a></p> |  |

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|  |           | <p>Likewise, the Committee Charter provides that there be a minimum of four (4) Independent Directors and a requirement that a Lead Independent Director be appointed in the event that the number of the members in the Board exceed 10 people.</p> <p>Nomination and Compensation Committee Charter Article 6 (pages 8 to 10)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf</a></p> <p>2020 Sustainability Report (Stand-alone)</p> <p><a href="https://ltg.com.ph/sustainability-reports/">https://ltg.com.ph/sustainability-reports/</a></p> |  |
| <b>Recommendation 1.5</b>                      |           |   |  |
| 1. Board is assisted by a Corporate Secretary. | COMPLIANT | <p>The Company's Corporate Secretary is a Filipino Citizen, a resident of the Philippines, and someone who is loyal to the mission, vision, and business objectives of the Company. The Corporate Secretary possesses administrative and interpersonal skills and working knowledge of the Company's operations, (2) is aware of the laws, rules and regulations necessary in the performance of duties and responsibilities expected, and, (3) understands financial and accounting information.</p>   |  |

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|  |  | <p>As provided under the Corporation's Revised Manual on Corporate Governance Section VI.C.3, LTG's Corporate Secretary has the following functions:</p> <ol style="list-style-type: none"> <li>1) Prepares, signs, and logs the minutes of the meetings of the Board of Directors;</li> <li>2) Oversees the delivery of legally required notices to members of Management, shareholders, third parties, state agencies, and others;</li> <li>3) Informs the members of the Board, in accordance with the corporate By-Laws, of the Agenda of their meetings at least five (5) working days in advance and assists the Directors in obtaining timely and accurate corporate information to make sound business judgment and to perform their responsibilities and obligations;</li> <li>4) Assists the President in preparing for and holding meetings of Management;</li> <li>5) Keep abreast of relevant laws, regulations, all governance issues, relevant industry developments and operations of the</li> </ol> |  |
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|  |  | <p>Company, and advises the Board and the Chairman on all relevant issues as they arise;</p> <p>6) Supervises the maintenance, preparation and submission of reports and other documents to state agencies in accordance with applicable legislation;</p> <p>7) Attends all Board meetings, except when justifiable causes, such as, but not limited to, illness, death in the immediate family and serious accidents, prevent her from doing so;</p> <p>8) Maintains a record of the minutes of the meetings of the Board and its committees, as well as other official records of the Company;</p> <p>9) Advises the Board regarding the establishment of board committees and their terms of reference;</p> <p>10) Oversees the drafting of the By-laws and ensures that they conform with regulatory requirements;</p> |  |
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|  |  | <p>11) Ensures that all Board procedures, rules and regulations are strictly followed by the members;</p> <p>12) Works fairly and objectively with the Board of Directors, Management, stockholders and other stakeholders.</p> <p>LTG Revised Manual on Corporate Governance<br/>Section VI.C.3 (pages 26 to 27)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>Other references:</p> <p>Corporate Organizational Chart &amp; Corporate Structure</p> <p><a href="https://ltg.com.ph/organizational-chart/">https://ltg.com.ph/organizational-chart/</a></p> <p>LTG Executive Officers (Leadership &gt; Executive Officers)</p> <p>Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings</p> <p><a href="https://ltg.com.ph/leadership/">https://ltg.com.ph/leadership/</a></p> |  |
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|   |           | <p>2020 Amended Definitive Information Statement Section 5.B (page 11)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/05/LTG-2020-Amended-Definitive-Information-Statement.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/05/LTG-2020-Amended-Definitive-Information-Statement.pdf</a></p> <p>Amended By-Laws, Article IV.2.1 (pages 6 to 8)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/LTG-Amended-By-Laws-2019.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/LTG-Amended-By-Laws-2019.pdf</a></p>  |  |
| <p>2. Corporate Secretary is a separate individual from the Compliance Officer.</p> | COMPLIANT | <p>The Company's Revised Manual on Corporate Governance stipulates that a Compliance Officer must be "separate and distinct" from the Corporate Secretary. It likewise specifically enumerates the duties and responsibilities of the Compliance Officer and that of the Corporate Secretary.</p> <p>LTG Revised Manual on Corporate Governance Section II.C.1 (page 2)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>Corporate Organizational Chart &amp; Corporate Structure</p> <p><a href="https://ltg.com.ph/organizational-chart/">https://ltg.com.ph/organizational-chart/</a></p> |  |

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|  |           | <p>LTG Executive Officers (Leadership &gt; Executive Officers)</p> <p>Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings</p> <p><a href="https://ltg.com.ph/leadership/">https://ltg.com.ph/leadership/</a></p>   |  |
| <p>3. Corporate Secretary is not a member of the Board of Directors.</p> | COMPLIANT | <p>The Corporate Secretary is Atty. Ma. Cecilia L. Pesayco. She is not a member of LTG's Board of Directors.</p> <p>Corporate Organizational Chart &amp; Corporate Structure</p> <p><a href="https://ltg.com.ph/organizational-chart/">https://ltg.com.ph/organizational-chart/</a></p> <p>LTG Executive Officers (Leadership &gt; Executive Officers)</p> <p><a href="https://ltg.com.ph/leadership/">https://ltg.com.ph/leadership/</a></p> <p>2020 Amended Definitive Information Statement Section 5.B (page 11)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/05/LTG-2020-Amended-Definitive-Information-Statement.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/05/LTG-2020-Amended-Definitive-Information-Statement.pdf</a></p> |  |

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|  |           | Amended By-Laws, Article IV.2.1 (pages 6 to 7)<br><br><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/LTG-Amended-By-Laws-2019.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/LTG-Amended-By-Laws-2019.pdf</a>  |  |
| 4. Corporate Secretary attends training/s on corporate governance. | COMPLIANT | <p>Section VI.C.3.2(e) of LTG's Revised Manual on Corporate Governance provides that a primary qualification of the Corporate Secretary is to keep abreast of relevant laws, regulations, all governance issuances, relevant industry developments and operations of the Company. This includes keeping updated with international best practices relating to governance and studying the applicability of such to the corporate governance at LTG. The Corporate Secretary is also responsible to advise the Board and the Chairman on all relevant issues as they arise.</p> <p>LTG Revised Manual on Corporate Governance<br/>Section VI.C.3.2(e) (page 26)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>The Corporate Secretary attended the SEC-accredited Corporate Governance training session conducted by accredited educator in corporate governance, SGV &amp; Co., held last 20 October 2020.</p> |  |

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|   |           | <p>Certificates of Attendance by LTG's Board of Directors and Executive Officers in the Corporate Governance seminar</p> <p><a href="https://ltg.com.ph/certifications-of-attendance/">https://ltg.com.ph/certifications-of-attendance/</a></p>   |  |
| <b>Optional: Recommendation 1.5</b>   |           |   |  |
| 1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.                       | COMPLIANT | <p>In accordance with Section VI.C.3.2(c) of LTG's Revised Manual on Corporate Governance, and as part of the responsibilities of the Corporate Secretary, the Company distributes to the Directors the Meeting Agenda, together with each meeting's Board materials, at least five (5) working days before the scheduled Board meeting.</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> |  |
| <b>Recommendation 1.6</b>   |           |   |  |
| 1. Board is assisted by a Compliance Officer.   | COMPLIANT | <p>Atty. Marivic T. Moya, the Company's Assistant Corporate Secretary, was elected as the Company's Compliance Officer during its Organizational Meeting held last 30 June 2020. She is not a member of the Board of Directors.</p> <p>Citing the Corporation's Revised Manual on Corporate Governance Section VI.C.4 (pages 26</p>   |  |
| 2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation. | COMPLIANT |   |  |
| 3. Compliance Officer is not a member of the board.   | COMPLIANT |   |  |

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|  |  | <p>to 27), the Company shall appoint a Compliance Officer with the following qualifications:</p> <p>a. Hold the rank of Senior Vice President or an equivalent position with adequate stature and authority in the Company</p> <p>b. shall not be a member of the Board of Directors</p> <p>c. should attend an annual training on corporate governance</p> <p>LTG Revised Manual on Corporate Governance<br/>Section VI.C.4 (pages 27 to 28)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>2020 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board (page 2)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/2020-June-30.-Results-of-ASM-and-OMofBoD.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/2020-June-30.-Results-of-ASM-and-OMofBoD.pdf</a></p> |  |
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|   |           | <p>Corporate Organizational Chart &amp; Corporate Structure</p> <p><a href="https://ltg.com.ph/organizational-chart/">https://ltg.com.ph/organizational-chart/</a></p> <p>LTG Executive Officers (Leadership &gt; Executive Officers)</p> <p><a href="https://ltg.com.ph/leadership/">https://ltg.com.ph/leadership/</a></p>   |  |
| 4. Compliance Officer attends training/s on corporate governance. | COMPLIANT | <p>The Compliance Officer per LTG's Revised Manual on Corporate Governance Section VI.C.4.2(c) must attend annual training on corporate governance.</p> <p>LTG Revised Manual on Corporate Governance Section VI.C.4.2(c) (page 28)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>The Compliance Officer attended the SEC-accredited Corporate Governance training session conducted by an accredited educator in corporate governance, SGV &amp; Co., last 20 October 2020.</p> |  |

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|  |                  | <p>Certificates of Attendance by LTG's Board of Directors and Executive Officers in the Corporate Governance seminar</p> <p><a href="https://ltg.com.ph/certifications-of-attendance/">https://ltg.com.ph/certifications-of-attendance/</a></p>  |  |
| <p><b>Principle 2:</b> 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.</p> |                  |  |  |
| <p><b>Recommendation 2.1</b></p>   |                  |  |  |
| <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>Article III.B.4 of the Company's Revised Manual on Corporate Governance, states that the Board of Directors must act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company and the shareholders.</p> <p>LTG Revised Manual on Corporate Governance Article III.B.4 (page 5)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>Moreover, the Company's Code of Business Conduct and Ethics provides that it is expected of its Directors, officers and employees that they act under the standards of professional and ethical conduct -- with integrity, excellence,</p> |  |



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|  |  | <p>transparency, trust, independence, loyalty, good corporate citizenry and social responsibility.</p> <p>Aside from this, the Directors are also provided with board materials at least five (5) working days before the date of the scheduled meeting. For ASMs, they receive, together with the stockholders, copies of the Notices, Agenda and materials for the meeting at least thirty (30) days prior to the date of the ASM. This is to allow them to read through the materials provided and ask questions when necessary.</p> <p>In 2020, despite to the COVID-19 pandemic, the Board conducted seventeen (17) online meetings regularly attended to by a majority of its members. The list of Board attendance may be found in its Annual Report, page 29 which viewed and downloaded from the Company's website at <a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a></p> <p>LTG Revised Manual on Corporate Governance Article II.A (pages 4 to5)</p> <p>Corporate Code of Conduct</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> |  |
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|   |           | <p>LTG Code of Business Conduct and Ethics Article II-III (pages 2 to 6)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2018-Sep-4.-LTG-Code-of-Business-Conduct-and-Ethics.-whistle-blowing-conflict-of-interest-inisder-trading-RPT.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2018-Sep-4.-LTG-Code-of-Business-Conduct-and-Ethics.-whistle-blowing-conflict-of-interest-inisder-trading-RPT.pdf</a></p> <p>LTG Website (Company Policies &gt; Code of Business Conduct and Ethics)</p> <p><a href="https://ltg.com.ph/code-of-business-conduct-ethics/">https://ltg.com.ph/code-of-business-conduct-ethics/</a></p> <p>Other references:</p> <p>2020 Definitive Information Statement, Annex A (page 22)</p> <p>Enumerates the resolutions of the Board of Directors during its regular Board meetings</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-2021-Definitive-Information-Statement.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-2021-Definitive-Information-Statement.pdf</a></p> |  |
| <b>Recommendation 2.2</b>   |           |   |  |
| 1. Board oversees the development, review and approval of the company's business objectives and strategy. | COMPLIANT | Article III.D of the Company's Revised Manual on Corporate Governance states that the members of the Board of Directors are tasked and  |  |

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| <p>2. Board oversees and monitors the implementation of the company's business objectives and strategy.</p> | <p>COMPLIANT</p> | <p>bound to periodically review, evaluate, monitor, and guide corporate strategy, major plans of actions, risk policy, annual budgets, and business plans.</p> <p>This covers the provision of sound strategic policies and guidelines and the periodic evaluation and monitoring of the implementation of said policies and guidelines. (Article III.B.2 and Article III.D.2)</p> <p>LTG Revised Manual on Corporate Governance Article III.B.2 and Article III.D.2 (pages 5 to 6)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>2020 Definitive Information Statement, Annex A (page 22)</p> <p>Enumerates some strategic decisions of the Board of Directors during its regular Board meetings</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-2021-Definitive-Information-Statement.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-2021-Definitive-Information-Statement.pdf</a></p> |  |
| <p><b>Supplement to Recommendation 2.2</b></p>  |                  |  |  |

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| <p>1. Board has a clearly defined and updated vision, mission and core values.</p> | <p>COMPLIANT</p> | <p>The Company's vision and mission statements, as stated below, are annually reviewed and approved by its Board of Directors.</p> <p>The Company's Vision is to be a world-class conglomerate at the forefront of Philippine economic growth, successfully maintaining a strong presence and dominant position in key Philippine industries while ensuring continuous benefits to its consumers, communities, employees, business partners, and shareholders.</p> <p>Anchored to its Vision, the Company commits to these mission statements:</p> <ol style="list-style-type: none"> <li>1. To increase stockholder values through long-term growth in its major business groups.</li> <li>2. To continuously improve the value of its products and services and to provide consumers with more and better choices.</li> <li>3. To build the largest, most effective distribution network and widest customer reach in the Philippines.</li> </ol> |  |
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|  |  | <p>4. To leverage on synergies between its various business to continuously improve revenues and cost structure.</p> <p>5. To enhance the welfare of its employees and the communities where it lives and works.</p> <p>The latest reviews were made on 17 January 2020 and 09 February 2021.</p> <p>LTG Website (About &gt; Our Company &gt; Mission and Vision)</p> <p><a href="https://ltg.com.ph/vision-and-mission/">https://ltg.com.ph/vision-and-mission/</a></p> <p>2020 LTG Annual Report (Inside Front Cover)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a></p> <p>2020 Sustainability Report (Stand-alone)</p> <p><a href="https://ltg.com.ph/sustainability-reports/">https://ltg.com.ph/sustainability-reports/</a></p> |  |
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| <p>2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.</p> | <p>COMPLIANT</p> | <p>Board meetings of the Company are held every second Tuesday of the month, together with the respective Boards of its subsidiaries. For this matter, some members of the Company's Board, including its Independent Directors, are likewise concurring Board members of its subsidiaries. Hence, since most of the directors are aware of the issues or needs of the respective subsidiaries, resolutions are readily accessible to the subsidiaries.</p> <p>The Company's Website at <a href="https://ltg.com.ph/leadership/">https://ltg.com.ph/leadership/</a> provides the credentials of its esteemed Directors showing their active directorships in various LTG subsidiaries, some affiliated companies and 3rd party public companies.</p> <p>Credentials of esteemed LTG Directors show active directorships in various LTG subsidiaries, some affiliated public companies, and 3<sup>rd</sup> party public companies</p> <p><a href="https://ltg.com.ph/leadership/">https://ltg.com.ph/leadership/</a></p> <p>2020 LTG Annual Report (pages 28 to 29)</p> |  |
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|  |  | <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a></p> <p>LTG Organizational Chart</p> <p><a href="https://ltg.com.ph/organizational-chart/">https://ltg.com.ph/organizational-chart/</a></p> <p>LTG Board Committees</p> <p>General Summary of LTG's Executive Committee, Nomination and Compensation Committee, Corporate Governance Committee, Audit and Risk Management Committee</p> <p><a href="https://ltg.com.ph/board-committees/">https://ltg.com.ph/board-committees/</a></p> <p>LTG Nomination and Compensation Committee Charter</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf</a></p> <p>LTG Audit and Risk Management Committee Charter</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a></p> |  |
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|  |           | <p>LTG Executive Committee Charter</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Executive-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Executive-Committee-Charter.pdf</a></p> <p>LTG Corporate Governance Committee Charter</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Corporate-Governance-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Corporate-Governance-Committee-Charter.pdf</a></p> <p>2020 LTG Annual Report (pages 28 to 35)</p> <p>Corporate Governance Report</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a></p> <p>LTG Revised Manual on Corporate Governance Article IV (pages 16 to 23)</p> <p>Board Committees</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> |  |
| <b>Recommendation 2.3</b>                                    |           |  |  |
| 1. Board is headed by a competent and qualified Chairperson. | COMPLIANT | The Company's Chairman is Dr. Lucio C. Tan. As Chairman, he manages and provides leadership of LTG's Board of Directors.   |  |



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|  |  | <p>Dr. Tan holds a Bachelor of Science degree in Chemical Engineering from Far Eastern University and was awarded the degree of Doctor of Philosophy, major in Commerce, by the University of Santo Tomas in 2003. He is likewise an awardee of several other honorary Doctorate degrees.</p> <p>LTG Website</p> <p>Chairman's academic qualifications, industry knowledge, professional experience, expertise and relevant trainings</p> <p><a href="https://ltg.com.ph/leadership/">https://ltg.com.ph/leadership/</a></p> <p>2020 LTG Annual Report (pages 28)</p> <p>Corporate Governance Report &gt; Board Composition &gt; Chairman</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a></p> <p>LTG Revised Manual on Corporate Governance Article III.K (page 15)</p> <p>Chairman of the Board</p> |  |
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|  |           | <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>2020 Definitive Information Statement, Item 5.a (page 5)</p> <p>Directors</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-2021-Definitive-Information-Statement.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-2021-Definitive-Information-Statement.pdf</a></p>  |  |
| <b>Recommendation 2.4</b>  |           |   |  |
| 1. Board ensures and adopts an effective succession planning program for directors, key officers and management. | COMPLIANT | <p>The Company's By-Laws provide that the Board of Directors shall have the responsibility of electing all the officers. Accordingly, taking into consideration the principles of good corporate governance, the present members of the Board shall have discretion with respect to the succession of its officers.</p> <p>Amended By-Laws, Article II (pages 1 to 5)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/LTG-Amended-By-Laws-2019.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/LTG-Amended-By-Laws-2019.pdf</a></p> <p>LTG Revised Manual on Corporate Governance Article IV.B (page 16 to 17)</p> |  |

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|  |           | <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>LTG Nomination and Compensation Committee Charter</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf</a></p> <p>2020 LTG Annual Report (page 30)</p> <p>Corporate Governance Report &gt; Board Committees &gt; Nomination and Compensation Committee</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a></p> |  |
| 2. Board adopts a policy on the retirement for directors and key officers. | COMPLIANT | <p>The Directors are chosen and nominated by the Nomination and Compensation Committee based on their qualifications, work experiences and expertise which are invaluable in the performance of their functions in the Board. For this reason, the Company does not deem it wise to set a retirement age for Directors.</p> <p>Article 4.1.3 of the Company's Nomination and Compensation Committee Charter provides that, in the determination of the number of directors to be nominated to the Board, the members of said</p>  |  |

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|  |  | <p>Committee must be guided by the following guidelines: (i) the scope and nature of operations of the Corporation; (ii) Age of the director; and (iii) possible conflict of interest among the directors. Thus, developing circumstances by any specific director, whether resulting from individual pursuits or driven by the Company, shall govern his or her eligibility to become part of the Board. This aside, Directors are annually elected by the shareholders in LTG's Stockholders' Meeting.</p> <p>LTG Revised Manual on Corporate Governance Article IV.B (page 16 to 17)</p> <p>Nomination and Compensation Committee</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>LTG Nomination and Compensation Committee Charter</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf</a></p> <p>2020 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board Agenda Item No. 4 (page 1)</p> |  |
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|  |  | <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/2020-June-30.-Results-of-ASM-and-OMofBoD.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/2020-June-30.-Results-of-ASM-and-OMofBoD.pdf</a></p> <p>2020 Minutes of Annual LTG Stockholders' Meeting Agenda Item No. 7 (page 5)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/Minutes-of-Annual-Stockholders%E2%80%99-Meeting-June-30-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/Minutes-of-Annual-Stockholders%E2%80%99-Meeting-June-30-2020.pdf</a></p> <p>The Board of Directors exercise its oversight functions in appointing key officers to form part of Management. Article VI. B of the Company's Revised Corporate Governance Manual enumerates the policies, duties and responsibilities relevant to Executive officers. On the other hand, as in most of the Company's subsidiaries, 65 years is set as the retirement age of key executives.</p> <p>Nevertheless, their tenure may be extended when approved by the Board and the Stockholders.</p> <p>LTG Revised Manual on Corporate Governance Article VI.B to C (pages 24 to 30)</p> <p>The Management</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> |  |
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|  |           | <p>2020 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board Agenda Item No. 2 and 3 (pages 2 to 3)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/2020-June-30.-Results-of-ASM-and-OMofBoD.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/2020-June-30.-Results-of-ASM-and-OMofBoD.pdf</a></p>  |  |
| <b>Recommendation 2.5</b>  |           |   |  |
| <p>1. Board aligns the remuneration of key officers and board members with long-term interests of the company.</p> | COMPLIANT | <p>To determine the remuneration of the CEO and the most highly compensated management officers in the Company, consideration is anchored on the set of skills they possess and their value to the Company.</p> <p>Article IV B. 3.4 of the Company's Revised Corporate Governance Manual states that the Nomination and Compensation Committee is authorized to establish a formal and transparent procedure for fixing the remuneration packages of the individual Directors.</p> <p>Article IV.B.3.6 of the same Manual likewise states that the Nomination and Compensation Committee shall designate such amount of remuneration as may be sufficiently attractive to engage and retain Directors and officers who are needed to run the Company successfully.</p> |  |

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|  |  | <p>However, for the subsidiaries, they have their respective Nomination and Compensation Committees and respective Corporate Governance Committees which supervises and vets their respective salary structures and remuneration policies. The officers running the offices for said purpose are the most qualified professionals in the field. Moreover, the systems, policies and procedures are in accordance with best policies and practices in the industry.</p> <p>The Directors of the Company receive an allowance of P30,000.00 a month and a per diem of P25,000.00 for every Board meeting and P15,000.00 for every Committee meeting attended. Other than the stated allowance and the per diem of the Directors, no other standard arrangements are received by the Directors of the Company as compensation, directly or indirectly, for any services provided as a Director, including any additional amounts payable for Committee participation or special assignments, for the last completed fiscal year and the ensuing year.</p> <p>Further, Article IV.B.3.4 of the Company's Revised Manual on Corporate Governance states that no Director shall be involved in discussions regarding his own remuneration.</p> |  |
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|  |           | <p>LTG Revised Manual on Corporate Governance Article IV.B (page 16 to 17)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>LTG Nomination and Compensation Committee Charter</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf</a></p> <p>LTG Company Website</p> <p>Nomination and Compensation Committee</p> <p><a href="https://ltg.com.ph/board-committees/">https://ltg.com.ph/board-committees/</a></p> <p>2020 LTG Annual Report (page 30)</p> <p>Corporate Governance Report &gt; Board Committees &gt; Nomination and Compensation Committee</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a></p> |  |
| 2. Board adopts a policy specifying the relationship between remuneration and performance. | COMPLIANT | Article IV B 3.3 of the Company's Revised Corporate Governance Manual lines up the duties and responsibilities of the Nomination and Compensation Committee that allows it to   |  |



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|  |  | <p>consider the contribution and performance of the Directors and Independent Directors as basis for their re-nomination to the Board.</p> <p>LTG Revised Manual on Corporate Governance Article IV.B (pages 16 to 17)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>LTG Nomination and Compensation Committee Charter</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf</a></p> <p>LTG Company Website</p> <p>Nomination and Compensation Committee</p> <p><a href="https://ltg.com.ph/board-committees/">https://ltg.com.ph/board-committees/</a></p> <p>2020 LTG Annual Report (page 30)</p> <p>Corporate Governance Report &gt; Board Committees &gt; Nomination and Compensation Committee</p> |  |
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| 3. Directors do not participate in discussions or deliberations involving his/her own remuneration. | COMPLIANT | <p>Article IV.B.3.4 of the Company's Revised Manual on Corporate Governance states that no Director shall be involved in discussions regarding his own remuneration.</p> <p>Article 3 section 6 of the Committee's Charter likewise states that no Director shall participate in decisions on his or her remuneration.</p> <p>LTG Revised Manual on Corporate Governance Article IV.B 3.4 (page 17)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>LTG Nomination and Compensation Committee Charter</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf</a></p> <p>LTG Company Website</p> <p>Nomination and Compensation Committee</p> <p><a href="https://ltg.com.ph/board-committees/">https://ltg.com.ph/board-committees/</a></p> |  |

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|  |           | <p>2020 LTG Annual Report (page 30)</p> <p>Corporate Governance Report &gt; Board Committees &gt; Nomination and Compensation Committee</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a></p>   |  |
| <b>Optional: Recommendation 2.5</b>                      |           |  |  |
| 1. Board approves the remuneration of senior executives. | COMPLIANT | <p>Article IV.B.3.6 of the Company's Revised Manual on Corporate Governance states that the Nomination and Compensation Committee shall designate such amount of remuneration as may be sufficiently attractive to engage and retain Directors and officers who are needed to run the Company successfully.</p> <p>LTG Revised Manual on Corporate Governance Article IV.B.3.6 (page 17)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>LTG Nomination and Compensation Committee Charter Article 4.1.6 (page 4)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf</a></p> |  |

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|  |           | <p>LTG Company Website</p> <p>Nomination and Compensation Committee</p> <p><a href="https://ltg.com.ph/board-committees/">https://ltg.com.ph/board-committees/</a></p> <p>2020 LTG Annual Report (page 30)</p> <p>Corporate Governance Report &gt; Board Committees &gt; Nomination and Compensation Committee</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a></p>   |  |
| <p>2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.</p> | COMPLIANT | <p>The Nomination and Compensation Committee primarily exists to ensure a formal and transparent Board nomination process, and to select, compensate, monitor and, when necessary, replace key executives and oversee succession planning.</p> <p>Among other things, Article IV.B.3 of the Company's Revised Manual on Corporate Governance enumerates that the Committee is obliged to consider the performance and contribution of a director as basis for his/her remuneration, establish a formal and transparent procedure for fixing remuneration packages of the individual directors, provided that no director shall be involved in discussions regarding his</p> |  |

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|  |  | <p>own, as well as designate the proper remuneration to retain the necessary persons who are needed for the smooth and successful operations of the Company.</p> <p>The Company's Annual Financial Report (Form 17-A) discloses historical executive compensation information, as well as arrangements with the Board. The trend of both salaries and bonuses represent a trend attributable to financial performance of LTG over a three-year period.</p> <p>LTG Revised Manual on Corporate Governance Articles IV.B.2 and IV.B.3.3 to 5 (pages 16 to 17)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>LTG Nomination and Compensation Committee Charter Article 4.1 (pages 3 to 4)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf</a></p> <p>LTG Company Website</p> <p>Nomination and Compensation Committee</p> <p><a href="https://ltg.com.ph/board-committees/">https://ltg.com.ph/board-committees/</a></p> |  |
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|   |           | <p>2020 LTG Annual Report (page 30)</p> <p>Corporate Governance Report &gt; Board Committees &gt; Nomination and Compensation Committee</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a></p> <p>2020 LTG Annual Financial Report (Form 17-A) Part III.10</p> <p>Control and Compensation Information &gt; Executive Compensation (page 74)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/03/2021-Mar-25-LTG-17A-December-31-2020-1.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/03/2021-Mar-25-LTG-17A-December-31-2020-1.pdf</a></p> <p>2020 LTG Annual Report (page 32)</p> <p>Corporate Governance Report &gt; Board Remuneration: Compensation of Directors and Executive Officers</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a></p> |  |
| <b>Recommendation 2.6</b>   |           |   |  |
| 1. Board has a formal and transparent board nomination and election policy. | COMPLIANT | The Nomination and Compensation Committee was established to ensure a formal and transparent Board nomination process, and to select, compensate, monitor and, when   |  |

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|  |  | <p>necessary, replace key executives and oversee succession planning.</p> <p>Based on the Company's Revised Manual on Corporate Governance, Article IV 3.2 and 3.3, the Committee is obligated to pre-qualify and shortlist candidates for election to the Board of Directors, including candidates for Independent Directors who shall constitute at least thirty percent of the members of the Board. They are likewise authorized to utilize the services of professional search firms or other external sources to search for qualified candidates to the Board. With respect the basis for re-nomination of a Director or Independent Director to the Board, the Committee is to consider the Director's contribution and performance such as his/her attendance, preparedness, participation, and candor.</p> <p>In accordance with its charter, the Committee shall conduct the nomination of Directors prior to a stockholders' meeting. All recommendations for nomination shall be signed by the nominating stockholder with the acceptance and conformity of the nominee.</p> <p>LTG Revised Manual on Corporate Governance<br/>Article IV.B (pages 16 to 17)</p> |  |
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| 2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance. | COMPLIANT | <p>Article IV.B.3 of the Company's Revised Manual on Corporate Governance provides the Company's policy on nomination and election which the Nomination and Compensation Committee must adhere to.</p>   |  |



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|   |           | <p>LTG Revised Manual on Corporate Governance Article IV.B.3 (page 17)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p>  |  |
| 3. Board nomination and election policy includes how the company accepted nominations from minority shareholders. | COMPLIANT | <p>In accordance with its charter, the Committee shall conduct the nomination of Directors prior to a stockholders' meeting. All recommendations for nomination shall be signed by the nominating stockholder with the acceptance and conformity of the nominee.</p> <p>LTG Nomination and Compensation Committee Charter Article 4 to 5 (pages 3 to 8)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf</a></p> |  |
| 4. Board nomination and election policy includes how the board shortlists candidates.                             | COMPLIANT | <p>One of the functions of the Nomination and Compensation Committee is to pre-qualify and shortlist candidates for election to the Board of Directors, including candidates for Independent Directors who shall constitute at least thirty (30%) of the members of the Board.</p> <p>In accordance with its charter, the Committee shall conduct the nomination of Directors prior to a stockholders' meeting. All recommendations</p>  |  |

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|  |           | <p>for nomination shall be signed by the nominating stockholder with the acceptance and conformity of the nominee.</p> <p>LTG Nomination and Compensation Committee Charter Article 4 to 5 (pages 3 to 8)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf</a></p>   |  |
| 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 | The Nomination and Compensation Committee was established to ensure a formal and transparent Board nomination process, and to select, compensate, monitor and, when necessary, replace key executives and oversee succession planning.   |  |
| 6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.   | COMPLIANT | They evaluate the qualifications of Directors, one of which is that he/she must be a holder of a "Bachelor's degree or equivalent experience in managing the business as gained from the profession and/or industry". They observe the policy of nominating individuals who are experienced and knowledgeable about the different sectors of the Group, such as banking, tobacco, liquor, real estate and beverage companies. In addition, the Committee considers not only the diverse work experience and education of the nominee, but willfully elects |  |

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|  |  | <p>women directors with excellent work experience and expertise to the Board.</p> <p>In 2020, the Company conducted a self-assessment of the performance of the Directors to ensure the effectivity of the Board members and likewise improve on areas which requires its attention.</p> <p>LTG Revised Manual on Corporate Governance Article IV.B (pages 16 to 17)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>LTG Nomination and Compensation Committee Charter Article 4 to 5 (pages 3 to 8)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf</a></p> <p>LTG Company Website</p> <p>Nomination and Compensation Committee</p> <p><a href="https://ltg.com.ph/board-committees/">https://ltg.com.ph/board-committees/</a></p> |  |
| <b>Optional: Recommendation to 2.6</b> |  |  |  |

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| 1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors. | COMPLIANT | <p>Article IV.B.3.2.1 of the Company's Revised Corporate Governance Manual provides that the Committee may utilize the services of professional search firms or other external sources to search for qualified candidates to the Board.</p> <p>LTG Revised Manual on Corporate Governance Article IV.B.3.2.1 (page 17)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> |  |
| <b>Recommendation 2.7</b>  |           |   |  |
| 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 has created a Related Party Transactions (RPT) Policy which authorizes its Audit and Risk Management Committee to handle the Board's oversight responsibility on RPTs (Article IV.2).   |  |
| 2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.  | COMPLIANT | LTG's RPT Policy Article IV.2 to 9 stipulate that the Committee oversees the evaluation of RPTs that present the risk of potential abuse. It ensures that processes and approvals are conducted at arm's length basis and that sound and objective judgment is exercised in deciding for the best interest of the Company. The Committee is further responsible to review and endorse RPTs to the Board for its approval/notation.  |  |

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|  |  | <p>The shareholders are allowed to approve, disapprove or abstain from the related party transactions entered into by the Company. The shareholders issue voting instructions to the Company which are verified by the Corporate Secretary, together with the Company's Trust and Transfer Agent, during a meeting called for such purpose.</p> <p>LTG Related Party Transactions Policy</p> <p>Article IV Board and Senior Management Oversight (pages 5 to 8)</p> <p><a href="https://ltg.com.ph/related-party-transactions-policy/">https://ltg.com.ph/related-party-transactions-policy/</a></p> <p>LTG Board Committees</p> <p>General Summary of LTG's Executive Committee, Nomination and Compensation Committee, Corporate Governance Committee, Audit and Risk Management Committee</p> <p><a href="https://ltg.com.ph/board-committees/">https://ltg.com.ph/board-committees/</a></p> <p>LTG Audit and Risk Management Committee Charter Article 4.4 (pages 8 to 9)</p> |  |
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| 3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations. | COMPLIANT | <p>The Policy Statement (Article I) of the RPT Policy provides that said Policy shall be observed by the Board of Directors, Management and staff of the Company, including its subsidiaries and affiliates.</p> <p>The Board is responsible in observing good corporate governance and in ensuring group-wide adoption of the policy, without prejudice to its compliance with existing regulations (Article IV.1.1).</p> <p>LTG Related Party Transactions Policy<br/>           Article I Policy Statement (page 2)<br/>           Article IV Board and Senior Management Oversight (pages 5 to 8)<br/> <a href="https://ltg.com.ph/related-party-transactions-policy/">https://ltg.com.ph/related-party-transactions-policy/</a></p> |  |

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|  |           | <p>LTG Audit and Risk Management Committee Charter Article 4.4 (pages 8 to 9)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a></p> <p>LTG Revised Manual on Corporate Governance Article IV.C.3.3 (page 21)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> |  |
| <b>Supplement to Recommendations 2.7</b>   |           |  |  |
| <p>1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.</p> | COMPLIANT | <p>Under the Company's RPT Policy, the materiality threshold is set at ten percent (10%) of the Company's total assets based on its latest audited financial statement – total consolidated assets. Transactions which exceed the materiality threshold shall be reviewed by the Audit and Risk Management Committee and endorsed to the Board for approval.</p> <p>LTG Related Party Transactions Policy</p> <p>Article I Policy Statement (page 2)</p> <p>Article IV Board and Senior Management Oversight (pages 5 to 8)</p>  |  |

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|   |           | <a href="https://ltg.com.ph/related-party-transactions-policy/">https://ltg.com.ph/related-party-transactions-policy/</a><br><br>LTG Audit and Risk Management Committee Charter Article 4.4 (pages 8 to 9)<br><br><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a><br><br>LTG Revised Manual on Corporate Governance Article IV.C.3.3 (page 21)<br><br><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a> |  |
| 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 | The Company acknowledges and respects the rights of non-related party shareholders to approve specific types of related party transactions during shareholders' meetings, should there be any.<br><br>In 2020, there were no related party transactions which required the approval of the shareholders.<br><br>LTG Related Party Transactions Policy<br><br><a href="https://ltg.com.ph/related-party-transactions-policy/">https://ltg.com.ph/related-party-transactions-policy/</a>   |  |



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|  |           | <p>LTG Audit and Risk Management Committee Charter Article 4.4 (pages 8 to 9)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a></p> <p>LTG Revised Manual on Corporate Governance Article IV.C.3.3 (page 21)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf</a></p> |  |
| <b>Recommendation 2.8</b>  |           |  |  |
| <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>Under Article III.K.3 to 4 of the Company's Revised Manual on Corporate Governance, it was resolved that, to avoid doubt, the CEO shall not form part of Management but shall lead, in conjunction with the Board, the development of the Company's vision and strategy; and shall set the tone and position the Company's brand image.</p> <p>Moreover, the Board shall implement a process for the selection of members of the Board (including Non-Executive Directors) and executive officers to ensure an effective mix of</p>   |  |

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|  |           | <p>competent Directors and Officers (Article III.D.1)</p> <p>LTG Revised Manual on Corporate Governance Articles III.K.3-4 (page 16) and III.D.1 (page 6)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>Amended By-Laws (Articles IX to XV)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/LTG-Amended-By-Laws-2019.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/LTG-Amended-By-Laws-2019.pdf</a></p> |  |
| <p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p> | COMPLIANT | <p>Under the Company's Revised Manual on Corporate Governance, the Board shall effectively monitor Management's performance periodically.</p> <p>In 2020, there were no related party transactions which required the approval of the shareholders.</p> <p>LTG Revised Manual on Corporate Governance Article III.B.2 (page 5)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p>  |  |
| <b>Recommendation 2.9</b>  |           |  |  |

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| 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 | Management controls the Company's day-to-day operations based on the guidelines set by the shareholders and with the oversight of the Company's Board of Directors. In the process, the latter is likewise assisted by the Board Committees to ensure proper execution of the guidelines and proper operations. In the discharge of its functions, Management must adhere to the Corporation Code of the Philippines, the Company's Articles of Incorporation and By-Laws, and the internal policies.  |  |
| 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 | <p>LTG Revised Manual on Corporate Governance Articles VI.A (page 24), III.B.2 (page 5) and III.D.3 and 9 (pages 6 to 7)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>Moreover, the Company has established its own internal audit activity which periodically monitors, assesses and evaluates the operational efficiency and effectiveness of the Company's internal controls. The Company also maintains its own Audit and Risk Management Committee to review, assess and evaluate the work and performance of the internal audit department for the entire conglomerate.</p> |  |

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|   |           | <p>Lastly, the Board has reviewed the effectiveness of the internal control system and has expressed its satisfaction to its efficiency and sound operation during Board meetings.</p> <p>LTG Audit and Risk Management Committee Charter Article 4.1.3 (page 4)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a></p>   |  |
| <b>Recommendation 2.10</b>  |           |   |  |
| 1. Board oversees that an appropriate internal control system is in place.  | COMPLIANT | <p>Under the Company's Revised Manual on Corporate Governance, the Board is tasked to ensure that the Company has good internal control and information management systems that can provide an accurate, timely, and clear financial picture. There should be a continuing review of the internal control system in order to maintain its adequacy and effectiveness.</p> <p>LTG Revised Manual on Corporate Governance Article III.D.4 (pages 6 to 7)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> |  |
| 2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders. | COMPLIANT |   |  |

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|  |           | <p>The Company has established its own internal audit activity which monitors, assesses and evaluates the operational efficiency and financial condition of the Company's internal controls. It also maintains its own Audit and Risk Management Committee to review, assess and evaluate the work and performance of the internal audit department for the entire conglomerate.</p> <p>The Board has reviewed the effectiveness of the internal control system and has expressed its satisfaction to its efficiency and sound operation during Board meetings.</p> |  |
| 3. Board approves the Internal Audit Charter.  | COMPLIANT | <p>The revised Internal Audit Charter was approved on 02 July 2019.</p> <p>LTG Audit and Risk Management Committee Charter Article 4.1.3 (page 4)</p> <p><a href="https://ltg.com.ph/internal-audit-charter/">https://ltg.com.ph/internal-audit-charter/</a></p>  |  |
| <b>Recommendation 2.11</b>   |           |   |  |
| 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 | The Board of Directors exercises an oversight responsibility which includes, among others, ensuring that the Company is appropriately and effectively managed and controlled.   |  |
| 2. The risk management framework guides the board in identifying units/business lines and  | COMPLIANT |   |  |

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| <p>enterprise-level risk exposures, as well as the effectiveness of risk management strategies.</p>    |                  | <p>The Audit and Risk Management Committee assists the Board by ensuring the appropriate and effective management of the Company. It exercises oversight responsibilities with respect the financial reporting process, system of internal control, the management of financial risk, the audit process, among other things and likewise performs oversight functions over Management’s activities in managing credit, market, liquidity, operational legal and other risks of the Company. The function shall include regular receipt from Management of information on risk exposures and risk management activities.</p> <p>LTG ‘s Enterprise Risk Management Policy</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2018-Sep-4.-LTG-Enterprise-Risk-Management-System.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2018-Sep-4.-LTG-Enterprise-Risk-Management-System.pdf</a></p> <p>LTG Audit and Risk Management Committee Charter Article 4.4 (page 7)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a></p> |  |
| <b>Recommendation 2.12</b>   |                  |   |  |
| <p>1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and</p> | <p>COMPLIANT</p> |   |  |

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| accountabilities in carrying out its fiduciary role.                                       |           | The Board's duties and responsibilities are enumerated under Article III of the Company's Revised Manual on Corporate Governance.   |  |
| 2. Board Charter serves as a guide to the directors in the performance of their functions. | COMPLIANT | All Company policies and committee charters are available for viewing and downloading from the Company's website at <a href="http://www.ltg.com.ph">www.ltg.com.ph</a> .  |  |
| 3. Board Charter is publicly available and posted on the company's website.                | COMPLIANT | LTG Revised Manual on Corporate Governance Article III (pages 5 to 16)<br><br><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a>   |  |
| <b>Additional Recommendation to Principle</b>  |           |   |  |
| 1. Board has a clear insider trading policy.   | COMPLIANT | The Company observes and implements a policy on trading blackouts which covers directors, officers, advisers, consultants and employees who may have knowledge of material facts regarding matters which may affect the Company.<br><br>Item 3.4 of the Company's Code of Business Conduct and Ethics, provides the blackout periods before the financials are disclosed to the public, viz:<br><br>(1) for quarterly reports, two (2) weeks before disclosure; and |  |

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|   |           | <p>(2) for the year-end financials, one month or thirty (30) days before disclosure.</p> <p>In the implementation of the policy, an email blast is sent to all covered persons to inform them of the start and end of the blackout period. Said email is accompanied by a reminder that they are prohibited from trading on the Company's shares within the period specified.</p> <p>LTG Code of Business Conduct &amp; Ethics Article 3.4 (pages 3 to 4)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2018-Sep-4.-LTG-Code-of-Business-Conduct-and-Ethics.-whistle-blowing-conflict-of-interest-in-insider-trading-RPT.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2018-Sep-4.-LTG-Code-of-Business-Conduct-and-Ethics.-whistle-blowing-conflict-of-interest-in-insider-trading-RPT.pdf</a></p> |  |
| <b>Optional: Principle 2</b>  |           |  |  |
| 1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates. | COMPLIANT | <p>All transactions involving the directors of the Company are governed by the Company's RPT policy which was established to ensure integrity and transparency. Such transactions must be done on arm's length basis and must be subjected to corporate procedure. (Article I).</p> <p>LTG Related Party Transactions Policy</p> <p>Article I Policy Statement (page 2)</p>  |  |



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|  |           | <p>Article IV Board and Senior Management Oversight (pages 5 to 8)</p> <p><a href="https://ltg.com.ph/related-party-transactions-policy/">https://ltg.com.ph/related-party-transactions-policy/</a></p>  |  |
| 2. Company discloses the types of decision requiring board of directors' approval.   | COMPLIANT | <p>The Company immediately discloses material Board approvals through the website of the Philippine Stock Exchange ("PSE"). These are thereafter uploaded in the Company website.</p> <p>LTG Material Transactions (Form 17-C)</p> <p><a href="https://ltg.com.ph/material-information-and-transactions/">https://ltg.com.ph/material-information-and-transactions/</a></p> <p>LTG Page in PSE Electronic Disclosure Registry</p> <p><a href="https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=12">https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=12</a></p> |  |
| <p><b>Principle 3:</b> 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.</p> |           |  |  |
| <p><b>Recommendation 3.1</b></p>   |           |  |  |

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| <p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p> | <p>COMPLIANT</p> | <p>The Company's Revised Manual on Corporate Governance enumerates the different Board Committees and their functions.</p> <p>The Company's website provides a general summary of LTG's Executive Committee, Nomination and Compensation Committee, Corporate Governance Committee, and Audit and Risk Management Committee</p> <p><a href="https://ltg.com.ph/board-committees/">https://ltg.com.ph/board-committees/</a></p> <p>The respective charters of the different committees may be found in the Company's website, as follows:</p> <p>Nomination and Compensation Committee Charter</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf</a></p> <p>Corporate Governance Committee Charter</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Corporate-Governance-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Corporate-Governance-Committee-Charter.pdf</a></p> <p>Executive Committee Charter</p> |  |
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|  |  | <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Executive-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Executive-Committee-Charter.pdf</a></p> <p>Audit and Risk Management Committee Charter</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a></p> <p>LTG Revised Manual on Corporate Governance Article IV (pages 16 to 23)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>Corporate Organizational Chart &amp; Corporate Structure</p> <p><a href="https://ltg.com.ph/organizational-chart/">https://ltg.com.ph/organizational-chart/</a></p> <p>2020 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/2020-June-30.-Results-of-ASM-and-OMofBoD.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/2020-June-30.-Results-of-ASM-and-OMofBoD.pdf</a></p> <p>2020 LTG Annual Report (pages 30 to 31)</p> |  |
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|  |           | <a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a>  |  |
| <b>Recommendation 3.2</b>  |           |  |  |
| 1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations. | COMPLIANT | <p>The Board approved last 10 October 2017, the Audit and Risk Management Committee Charter enumerating its basic functions which include, among others: (i) regularly updating the Board about committee activities and making appropriate recommendations; and (2) assisting the Board in the performance of its oversight responsibilities for the financial reporting process, system of internal control, the management of financial risk, the audit process.</p> <p>As provided in its charter, the Committee performs audit and risk oversight functions. As part of its Audit Oversight Functions, the Committee shall recommend to the Board the appointment, dismissal, replacement and re-appointment of the external auditors, duly accredited by the regulators (subject to stockholder ratification), based on fair and transparent criteria as provided in its Charter.</p> <p>The Company's Audit and Risk Management Committee is composed of five (5) appropriately qualified Directors in the persons of Johnip G. Cua, Wilfrido E. Sanchez, Juanita T. Tan Lee, Mary G. Ng and Florencia G. Tarriela, four (4) of</p> |  |

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|  |  | <p>whom, including the chairman, are Independent Directors.</p> <p>Corporate Organizational Chart &amp; Corporate Structure</p> <p><a href="https://ltg.com.ph/organizational-chart/">https://ltg.com.ph/organizational-chart/</a></p> <p>Audit and Risk Management Committee Charter Article 4.1.3 (page 4)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a></p> <p>LTG Revised Manual on Corporate Governance Article IV.C.2.1 (page 18)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>Corporate Organizational Chart &amp; Corporate Structure</p> <p><a href="https://ltg.com.ph/organizational-chart/">https://ltg.com.ph/organizational-chart/</a></p> <p>2020 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board (page 2)</p> |  |
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|  |           | <a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/2020-June-30.-Results-of-ASM-and-OMofBoD.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/2020-June-30.-Results-of-ASM-and-OMofBoD.pdf</a><br><br>2020 LTG Annual Report (page 30)<br><br><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a>  |  |
| 2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent. | COMPLIANT | <p>The Company's Audit and Risk Management Committee is composed of five (5) appropriately qualified Directors in the persons of Johnip G. Cua, Wilfrido E. Sanchez, Juanita T. Tan Lee, Mary G. Ng and Florencia G. Tarriela, four (4) of whom, including the chairman, are Independent Directors.</p> <p>LTG Board Committees (Audit and Risk Management Committee)</p> <p><a href="https://ltg.com.ph/board-committees/">https://ltg.com.ph/board-committees/</a></p> <p>Audit and Risk Management Committee Charter Article 2.1.1 and 3 (page 2)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a></p> |  |

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|   |           | <p>LTG Revised Manual on Corporate Governance Article IV.C.1.2 (page 18)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>2020 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board (page 2)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/2020-June-30.-Results-of-ASM-and-OMofBoD.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/2020-June-30.-Results-of-ASM-and-OMofBoD.pdf</a></p> <p>Certifications of LTG Independent Directors</p> <p><a href="https://ltg.com.ph/certification-of-independent-directors/">https://ltg.com.ph/certification-of-independent-directors/</a></p> <p>Respective qualifications of Audit and Risk Management Committee members on LTG website</p> <p><a href="https://ltg.com.ph/leadership/">https://ltg.com.ph/leadership/</a></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> | COMPLIANT | <p>The Audit and Risk Management Committee is composed of Johnip G. Cua, Chairman, Wilfrido E. Sanchez, Juanita T. Tan Lee, Mary G. Ng and Florencia G. Tarriela, as members.</p> <p>Respective qualifications of Audit and Risk Management Committee members on LTG website</p>   |  |

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|  |           | <a href="https://ltg.com.ph/leadership/">https://ltg.com.ph/leadership/</a><br><br>Audit and Risk Management Committee Charter<br>Article 2.1 (page 2)<br><br><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a><br><br>LTG Revised Manual on Corporate Governance<br>Article IV.C.1.3 (page 18)<br><br><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a><br><br>LTG Board Committees (Audit and Risk Management Committee)<br><br><a href="https://ltg.com.ph/board-committees/">https://ltg.com.ph/board-committees/</a> |  |
| 4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee. | COMPLIANT | The Company consolidated its Risk Oversight Committee with its Audit Committee hence, the Audit and Risk Management Committee. The Chairman thereof is Johnip G. Cua. He is not the Chairman of the Board or of any other committee.<br><br><br>LTG Revised Manual on Corporate Governance<br>Article IV.C.1.4 (page 18)  |  |



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| <b>Supplement to Recommendation 3.2</b>   |           |  |  |
| 1. Audit Committee approves all non-audit services conducted by the external auditor. | COMPLIANT | <p>As provided under its charter, the Audit and Risk Management Committee is tasked to evaluate and determine the non-audit work, if any, of the External Auditor, and review periodically the non-audit fees paid to the External Auditor in relation to their significance to the total annual income of the External Auditor and to the Corporation's overall consultancy expenses. The Committee shall disallow any non-audit work that will conflict with the duties of the External Auditor or may pose a threat to its independence. The non-audit work, if allowed, shall be subject to the confirmation and approval of the Committee members and shall be disclosed in the Corporation's annual report.</p> <p>Audit and Risk Management Committee Charter Article 4.2.2 (pages 4 to 5)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a></p> <p>LTG Revised Manual on Corporate Governance Article IV.C.3.1 (pages 18 to 19)</p> |  |

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| 2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present. | COMPLIANT | <p>Both the Company's Audit and Risk Management Committee Charter and Revised Corporate Governance Manual require the Audit and Risk Management Committee to meet with the External Auditors, without the presence of the Company's Management, at least annually to verify that the External Auditors act independently, and is given unrestricted access to all records, properties and personnel to enable it to perform its audit functions.</p> <p>As a consequence of the ongoing COVID-19 pandemic, all meetings held by the Company are online/virtual meetings which has prevented it from conducting a meeting without the presence of any executive member of the Board.</p> <p>Audit and Risk Management Committee Charter Article 4.2.6 (page 5)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a></p> <p>LTG Revised Manual on Corporate Governance Article IV.C.3.1.d (page 18)</p> |  |

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| <b>Optional: Recommendation 3.2</b>                          |           |   |  |
| 1. Audit Committee meet at least four times during the year. | COMPLIANT | <p>While the Audit and Risk Management Committee is tasked to meet only at least every quarter, in 2020, the Committee held a total of eight (8) meetings during the following dates:</p> <p>10 March 2020</p> <p>14 April 2020</p> <p>12 May 2020</p> <p>07 August 2020</p> <p>01 September 2020</p> <p>13 October 2020</p> <p>10 November 2020</p> <p>23 December 2020</p> <p>Audit and Risk Management Committee Charter Article 3.1 (page 3)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a></p> |  |

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|  |           | <p>LTG Revised Manual on Corporate Governance Article IV.C.2.2 (page 18)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p>  |  |
| 2. Audit Committee approves the appointment and removal of the internal auditor. | COMPLIANT | <p>Under the Audit and Risk Management Committee Charter, the Committee recommends, for approval of the Board, the appointment, dismissal and annual remuneration of the Chief Audit Executive (CAE).</p> <p>The Audit and Risk Management Committee must regularly review and evaluate work performed by the CAE and Internal Audit function.</p> <p>Audit and Risk Management Committee Charter Article 4.2.19 (page 7)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a></p> <p>LTG Revised Manual on Corporate Governance Article IV.C.3.1 (pages 18 to 19)</p> |  |

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| <b>Recommendation 3.3</b>   |           |  |  |
| 1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee. | COMPLIANT | <p>Part IV (E) of the Company's Revised Corporate Governance Manual provides the composition and qualifications of the Corporate Governance Committee which was established primarily to assist the Board of Directors in fulfilling its corporate governance responsibilities. The same Manual enumerates the duties and responsibilities of the Committee.</p> <p>The Committee has nominated Directors who are of renowned expertise in their respective fields.</p> <p>LTG Board Committees (Corporate Governance Committee)</p> <p><a href="https://ltg.com.ph/board-committees/">https://ltg.com.ph/board-committees/</a></p> <p>Respective qualifications of Corporate Governance committee members on LTG website</p> <p><a href="https://ltg.com.ph/leadership/">https://ltg.com.ph/leadership/</a></p> |  |

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|   |           | <p>Corporate Organizational Chart &amp; Corporate Structure</p> <p><a href="https://ltg.com.ph/organizational-chart/">https://ltg.com.ph/organizational-chart/</a></p> <p>Corporate Governance Committee Charter</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Corporate-Governance-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Corporate-Governance-Committee-Charter.pdf</a></p> <p>LTG Revised Manual on Corporate Governance Article IV.E (page 23)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> |  |
| 2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors. | COMPLIANT | <p>The Corporate Governance Committee is composed of five (5) members, three (3) of whom, including its Chairman, are Independent Directors. They are: Ms. Florencia G. Tarriela, Chairman, and Mr. Michael G. Tan, Mr. Johnip G. Cua, Mr. Wilfrido E. Sanchez, and Ms. Juanita T. Tan Lee.</p> <p>LTG Board Committees (Corporate Governance Committee)</p> <p><a href="https://ltg.com.ph/board-committees/">https://ltg.com.ph/board-committees/</a></p>   |  |

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|  |  | <p>2020 LTG Annual Report (page 31)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a></p> <p>Certifications of LTG Independent Directors</p> <p><a href="https://ltg.com.ph/certification-of-independent-directors/">https://ltg.com.ph/certification-of-independent-directors/</a></p> <p>Corporate Governance Committee Charter Article 2.1 (page 1)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Corporate-Governance-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Corporate-Governance-Committee-Charter.pdf</a></p> <p>LTG Revised Manual on Corporate Governance Article IV.E.1 (page 23)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>2020 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board (page 2)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/2020-June-30.-Results-of-ASM-and-OMofBoD.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/2020-June-30.-Results-of-ASM-and-OMofBoD.pdf</a></p> |  |
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| <p>3. Chairman of the Corporate Governance Committee is an independent director.</p> | <p>COMPLIANT</p> | <p>The Chairman of the Corporate Governance Committee is Ms. Florencia G. Tarriela, an Independent Director.</p> <p>Certification of Independent Director (FGT)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2015-Oct-1.-Certification-of-Independent-Director-FGT.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2015-Oct-1.-Certification-of-Independent-Director-FGT.pdf</a></p> <p>Certifications of LTG Independent Directors</p> <p><a href="https://ltg.com.ph/certification-of-independent-directors/">https://ltg.com.ph/certification-of-independent-directors/</a></p> <p>LTG Board Committees (Corporate Governance Committee)</p> <p><a href="https://ltg.com.ph/board-committees/">https://ltg.com.ph/board-committees/</a></p> <p>2020 LTG Annual Report (page 31)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a></p> <p>2020 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board (page 2)</p> |  |
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| <b>Optional: Recommendation 3.3</b>                                    |           |   |  |
| 1. Corporate Governance Committee meet at least twice during the year. | COMPLIANT | <p>In its pursuit of good corporate governance, the Company resolved that the Corporate Governance Committee shall meet at least twice a year or as often as necessary. Said provision is provided under the Company's Revised Manual on Corporate Governance.</p> <p>In 2020, the Committee met twice or on the following dates:</p> <p>11 February 2020</p> <p>09 March 2020</p> <p>Corporate Governance Committee Charter Article 4.1 (page 2)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Corporate-Governance-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Corporate-Governance-Committee-Charter.pdf</a></p> <p>LTG Revised Manual on Corporate Governance Article IV.E.2.1 (page 23)</p> |  |

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| <b>Recommendation 3.4</b>  |           |  |  |
| 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 | While a company should create a separate Board Risk and Oversight Committee (BROC) based on its size, risk profile and complexity of operations, the Company, as a holding company with controlled activities, deemed it best to create the Audit and Risk Management Committee wherein the complimentary functions of Audit and Risk Management are merged together. Its functions are enumerated in the Company's Revised Corporate Governance Manual.<br><br>Corporate Organizational Chart & Corporate Structure<br><br><a href="https://ltg.com.ph/organizational-chart/">https://ltg.com.ph/organizational-chart/</a>  |  |

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|  |  | <p>Audit and Risk Management Committee Charter<br/>Article 4.4 (page 7)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a></p> <p>LTG Revised Manual on Corporate Governance<br/>Article IV.C.3.2 (pages 19 to 20)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>Corporate Organizational Chart &amp; Corporate Structure</p> <p><a href="https://ltg.com.ph/organizational-chart/">https://ltg.com.ph/organizational-chart/</a></p> <p>2020 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board (page 2)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/2020-June-30.-Results-of-ASM-and-OMofBoD.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/2020-June-30.-Results-of-ASM-and-OMofBoD.pdf</a></p> <p>2020 LTG Annual Report (page 30)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a></p> |  |
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| <p>2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p> | <p>COMPLIANT</p> | <p>The Company has merged its Risk Committee with its Audit Committee, hence, the creation of the Audit and Risk Management Committee. The Committee is composed of five (5) members with four (4) Independent Directors. They are, Mr. Johnip G. Cua, Chairman, Mr. Wilfrido E. Sanchez, Ms. Juanita T. Tan Lee, Ms. Mary G. Ng and Ms. Florencia G. Tarriela, as members.</p> <p>LTG Board Committees (Audit and Risk Management Committee)</p> <p><a href="https://ltg.com.ph/board-committees/">https://ltg.com.ph/board-committees/</a></p> <p>Audit and Risk Management Committee Charter Article 2.1 and 3 (page 2)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a></p> <p>LTG Revised Manual on Corporate Governance Article IV.C.1.2 (page 18)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> |  |

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|  |           | <p>2020 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board (page 2)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/2020-June-30.-Results-of-ASM-and-OMofBoD.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/2020-June-30.-Results-of-ASM-and-OMofBoD.pdf</a></p> <p>Certifications of LTG Independent Directors</p> <p><a href="https://ltg.com.ph/certification-of-independent-directors/">https://ltg.com.ph/certification-of-independent-directors/</a></p> <p>Respective qualifications of Audit and Risk Management Committee members on LTG website</p> <p><a href="https://ltg.com.ph/leadership/">https://ltg.com.ph/leadership/</a></p> |  |
| 3. The Chairman of the BROCC is not the Chairman of the Board or of any other committee. | COMPLIANT | <p>The Company consolidated its Risk Oversight Committee with its Audit Committee hence, the Audit and Risk Management Committee. The Chairman thereof is Mr. Johnip G. Cua. He is not the Chairman of the Board or of any other committee.</p> <p>LTG Revised Manual on Corporate Governance Article IV.C.1.4 (page 18)</p>   |  |

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| <p>4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.</p> | <p>COMPLIANT</p> | <p>The Chairman of the Audit and Risk Management Committee has been in the industry for more than a decade which has allowed him to acquire sufficient experience on risk and risk management. His industry experience includes manufacturing banking, education and aviation, among others.</p> <p>His academic qualifications, industry knowledge, professional experience, expertise and relevant trainings may be viewed in the Company website.</p> <p>LTG Board Committees (Audit and Risk Management Committee)</p> <p><a href="https://ltg.com.ph/board-committees/">https://ltg.com.ph/board-committees/</a></p> <p>Respective qualifications of Audit and Risk Management Committee members on LTG website</p> <p><a href="https://ltg.com.ph/leadership/">https://ltg.com.ph/leadership/</a></p> |  |
| <p><b>Recommendation 3.5</b></p>  |                  |   |  |
| <p>1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with</p>                        | <p>COMPLIANT</p> | <p>The Board has created a Related Party Transactions (“RPT”) Policy which authorizes</p>   |  |



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| <p>reviewing all material related party transactions of the company.</p> |  | <p>the Audit and Risk Management Committee to exercise oversight on RPTs.</p> <p>Under Article IV.2 of the RPT Policy, the Audit and Risk Management Committee shall oversee the evaluation of RPTs that present the risk of potential abuse. It shall ensure that processes and approvals are conducted at arm's length basis and that sound and objective judgment is exercised in deciding for the best interest of the Company.</p> <p>The Audit and Risk Management Committee is further responsible to review and endorse RPTs to the Board for its approval/notation.</p> <p>Audit and Risk Management Committee Charter<br/>Article IV.2 (pages 4 to 7)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a></p> <p>LTG Revised Manual on Corporate Governance<br/>Article IV.C.3.3 (page21)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>LTG Board Committees</p> |  |
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|   |           | <p>Audit and Risk Management Committee</p> <p><a href="https://ltg.com.ph/board-committees/">https://ltg.com.ph/board-committees/</a></p>  |  |
| <p>2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.</p> | COMPLIANT | <p>Since the functions of the recommended RPT Committee are lodged with the Audit and Risk Management Committee, the members are likewise the members the recommended Committee. The Audit and Risk Management Committee is composed of five (5) members, four (4) of whom are independent, including its Chairman.</p> <p>LTG Board Committees (Audit and Risk Management Committee)</p> <p><a href="https://ltg.com.ph/board-committees/">https://ltg.com.ph/board-committees/</a></p> <p>Audit and Risk Management Committee Charter Article 2.1 and 3 (page 2)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a></p> <p>LTG Revised Manual on Corporate Governance Article IV.C.1.2 (page 18)</p> |  |

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| <b>Recommendation 3.6</b>  |           |  |  |
| 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 | For a copy of the Company's different Committee Charters, please visit the Company's website at <a href="http://www.ltg.com.ph">www.ltg.com.ph</a> . A copy of the Committee's respective Charters may be viewed and downloaded from their respective pages.<br><br>LTG Board Committees   |  |

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|  |  | <p>General Summary of LTG's Executive Committee, Nomination and Compensation Committee, Corporate Governance Committee, Audit and Risk Management Committee</p> <p><a href="https://ltg.com.ph/board-committees/">https://ltg.com.ph/board-committees/</a></p> <p>Nomination and Compensation Committee Charter</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf</a></p> <p>Corporate Governance Committee Charter</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Corporate-Governance-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Corporate-Governance-Committee-Charter.pdf</a></p> <p>Executive Committee Charter</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Executive-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Executive-Committee-Charter.pdf</a></p> <p>Audit and Risk Management Committee Charter</p> |  |
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|   |           | <a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a>   |  |
| 2. Committee Charters provide standards for evaluating the performance of the Committees. | COMPLIANT | The respective Committee Charters may be viewed and downloaded from the Company website, as follows:  |  |
| 3. Committee Charters were fully disclosed on the company's website.                      | COMPLIANT | <p>LTG Board Committees</p> <p>General Summary of LTG's Executive Committee, Nomination and Compensation Committee, Corporate Governance Committee, Audit and Risk Management Committee</p> <p><a href="https://ltg.com.ph/board-committees/">https://ltg.com.ph/board-committees/</a></p> <p>Nomination and Compensation Committee Charter</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf</a></p> <p>Corporate Governance Committee Charter</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Corporate-Governance-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Corporate-Governance-Committee-Charter.pdf</a></p> |  |

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|  |                  | <p>Executive Committee Charter</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Executive-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Executive-Committee-Charter.pdf</a></p> <p>Audit and Risk Management Committee Charter</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a></p> |  |
| <p><b>Principle 4:</b> 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.</p> |                  |   |  |
| <p><b>Recommendation 4.1</b></p>   |                  |   |  |
| <p>1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.</p>   | <p>COMPLIANT</p> | <p>In 2020, the Board conducted seventeen (17) meetings which were regularly attended to by the Directors of the Company.</p> <p>Attendance and active participation of Directors in Board meetings, regular or special, are required per Article III.J of the Revised Manual on Corporate Governance. Attendance via teleconference is likewise allowed.</p>   |  |

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|   |           | <p>LTG Revised Manual on Corporate Governance Article III.J (page 15)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>2020 LTG Annual Report (pages 28-29)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a></p>   |  |
| 2. The directors review meeting materials for all Board and Committee meetings. | COMPLIANT | <p>As enumerated under Article VI.3.(3.2) (c) of the Company's Revised Corporate Governance Manual, part of the duties and responsibilities of the Office of the Corporate Secretary is to make available to the Board of Directors the Board materials at least five (5) days before the scheduled meeting, to allow them the opportunity to review the materials and be able to seek the necessary clarifications during the meeting, pursuant to their functions as such as provided under Article III.D.14 of the same Manual.</p> <p>LTG Revised Manual on Corporate Governance Articles VI.C.3.1.c (page 26) and III.D.14 (pages 7 to 8)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> |  |

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| <p>3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.</p>  | <p>COMPLIANT</p> | <p>The Minutes of the Board Meetings detail events and discussions of each meeting, including questions raised by the directors and the answers given by the person tasked to report. These queries by the directors may be regarding the financial information, operation or general analysis of the company standing.</p> <p>The format of internally routed Minutes is similar to that of the Annual Stockholders' meeting.</p> <p>Minutes of the Annual Stockholders' Meeting of LT Group, Inc. on 30 June 2020</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/Minutes-of-Annual-Stockholders%E2%80%99-Meeting-June-30-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/Minutes-of-Annual-Stockholders%E2%80%99-Meeting-June-30-2020.pdf</a></p> |  |
| <p><b>Recommendation 4.2</b></p>  |                  |  |  |
| <p>1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.</p> | <p>COMPLIANT</p> | <p>For the past years, no Non-Executive Director has held more than five (5) publicly-listed companies.</p> <p>A list of the directorships of the company's directors in both listed and non-listed companies, are provided on the company website and annual report.</p>  |  |



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|  |           | <p>2020 LTG Annual Report (pages 28-29)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a></p> <p>Respective qualifications of each Board member on LTG website</p> <p><a href="https://ltg.com.ph/leadership/">https://ltg.com.ph/leadership/</a></p> |  |
| <b>Recommendation 4.3</b>  |           |  |  |
| 1. The directors notify the company's board before accepting a directorship in another company.                              | COMPLIANT | <p>As part of good corporate governance, the Company's directors notify the Board, as soon as practicable, directorships in another company they wish to accept.</p> <p>In 2020, no instance arose wherein the director was required to notify the Board since they do not have any intended directorship in another Company.</p>  |  |
| <b>Optional: Principle 4</b>   |           |  |  |
| 1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group. | COMPLIANT | <p>The Company does not have executive directors serving more than two (2) boards of listed companies outside the affiliated corporate group of LTG.</p> <p>2020 LTG Annual Report (pages 28-29)</p>   |  |

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| 2. Company schedules board of directors' meetings before the start of the financial year. | COMPLIANT | The Company schedules Board meetings every second (2 <sup>nd</sup> ) Tuesday of the month. The schedule may be subject to change as requested by, or depending on the availability of, the Directors.<br><br>The schedule of meetings for the year 2020 were sent to the Directors of the Board via email as early as 28 November 2019.   |  |
| 3. Board of directors meet at least six times during the year.                            | COMPLIANT | The Board conducted seventeen (17) meetings for the year 2020.<br><br>Attendance of each director is disclosed in Company Annual Report.<br><br>2020 LTG Annual Report (pages 28-29)<br><br><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a> |  |

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| 4. Company requires as minimum quorum of at least 2/3 for board decisions.   | COMPLIANT | The Company's Board meetings are usually attended to by all the members thereof. Hence, all board decisions are based on the approval of 2/3 of the members of the Board.   |  |
| <b>Principle 5:</b> The board should endeavor to exercise an objective and independent judgment on all corporate affairs       |           |   |  |
| <b>Recommendation 5.1</b>  |           |   |  |
| 1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher. | COMPLIANT | <p>In accordance with the requirement under Article III I 1.2 of the Company's Revised Corporate Governance Manual, the Company's Board is composed of 11 Directors, with 4 Independent Directors in the persons of Mr. Johnip G. Cua, Mr. Wilfrido E. Sanchez, Ms. Florencia G. Tarriela and Ms. Mary G. Ng. The number of Independent Directors compose 36% of the Board, higher than the one-third requirement.</p> <p>Board profiles on the Company website<br/> <a href="https://ltg.com.ph/leadership/">https://ltg.com.ph/leadership/</a></p> <p>2020 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board (page 1)<br/> <a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/2020-June-30.-Results-of-ASM-and-OMofBoD.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/2020-June-30.-Results-of-ASM-and-OMofBoD.pdf</a></p> |  |

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|   |                  | <p>LTG Revised Manual on Corporate Governance<br/>Article III.I.1.2 (page 13)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf</a></p>   |  |
| <b>Recommendation 5.2</b>   |                  |  |  |
| <p>1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.</p> | <p>COMPLIANT</p> | <p>Article III.I of the Company's Revised Corporate Governance Manual enumerates the qualifications of the independent directors. None of the Independent Directors possess any disqualification to hold the position.</p> <p>LTG Revised Manual on Corporate Governance<br/>Article III.I (pages 12 to 15)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>Amended By-Laws, Article II.3 to 6 (pages 2 to 5)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/LTG-Amended-By-Laws-2019.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/LTG-Amended-By-Laws-2019.pdf</a></p> |  |
| <b>Supplement to Recommendation 5.2</b>   |                  |  |  |

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| <p>1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.</p> | <p>COMPLIANT</p> | <p>The Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.</p> <p>LTG Revised Manual on Corporate Governance</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a> Amended By-Laws</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/LTG-Amended-By-Laws-2019.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/LTG-Amended-By-Laws-2019.pdf</a></p> |  |
| <p><b>Recommendation 5.3</b></p>  |                  |  |  |
| <p>1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).</p>   | <p>COMPLIANT</p> | <p>The Company's Revised Corporate Governance Manual Article III.I.1.2.1 provides that an Independent Director shall serve for a maximum cumulative term of nine (9) years reckoned from the year 2012.</p> <p>As provided in the Company's Annual Report, Ms. Florencia G. Tarriela was first elected 09 August 2012 (9 years); Mr. Johnip G. Cua on 08 May 2018 (3 years); Mr. Wilfrido E. Sanchez on 31 July 2012 (9 years) and Ms. Mary G. Ng on 07 May 2019 (2 year).</p>   |  |

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|   |           | <p>LTG Revised Manual on Corporate Governance<br/>Article III.I.2.1 (page 14)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>2020 LTG Annual Report (pages 28 to 29)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a></p> <p>Respective qualifications of Board members on LTG website</p> <p><a href="https://ltg.com.ph/leadership/">https://ltg.com.ph/leadership/</a></p> |  |
| 2. The company bars an independent director from serving in such capacity after the term limit of nine years. | COMPLIANT | <p>The Company observes the term limit for Independent Directors, in accordance with SEC Memorandum Circular No. 9, Series of 2011.</p> <p>Art. III, (I) (2) of the Company's Revised Corporate Governance Manual provides that an Independent Director (ID) shall serve for a maximum cumulative term of nine (9) years reckoned from the year 2012. And that, except as otherwise provided, the ID who shall have</p>  |  |

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|  |           | <p>served the maximum term shall be perpetually barred from re-election as such in the Company.</p> <p>LTG Revised Manual on Corporate Governance<br/>Article III.I.2.1 (page 14)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>2020 LTG Annual Report (pages 28 to 29)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a></p> <p>Respective qualifications of Board members on LTG website</p> <p><a href="https://ltg.com.ph/leadership/">https://ltg.com.ph/leadership/</a></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> | COMPLIANT | <p>As of the year 2020, no Independent Director has been re-elected as such beyond the nine-year limit to serve as such.</p> <p>Article III.I.2.3 of the Company's Manual, provides that by way of exception to the bar from re-election after serving the maximum term, the ID may be re-elected as such, subject to the endorsement of the Nomination Committee and</p>  |  |

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|   |               | <p>approval of the shareholders obtained during the Annual Shareholders' Meeting.</p> <p>LTG Revised Manual on Corporate Governance Article III.I.2.3 (page 14)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>2020 LTG Annual Report (pages 28 to 29)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a></p> <p>Respective qualifications of Board members on LTG website</p> <p><a href="https://ltg.com.ph/leadership/">https://ltg.com.ph/leadership/</a></p> |  |
| <b>Recommendation 5.4</b>   |               |  |  |
| 1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals. | NON-COMPLIANT |  | <p>The separate roles of the Chairman and CEO are clearly defined despite these positions being held by one and the same person. Dr. Lucio C. Tan.</p> <p>On the other hand, as CEO per Company By-Laws, the Chairman of the Board shall concurrently sit as CEO and shall be responsible for leading the development and execution of the</p> |



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|   |           |   | <p>Company's long-term strategy with a view to creating shareholder value. The CEO, in LTG circumstances, shall not form part of Management and lead with the development of the Company's vision and strategy, as well as set the tone and position the brand image of the Company (Section III.K, Revised Corporate Governance Manual)</p> <p>LTG Revised Manual on Corporate Governance Article III.K (page 15 to 16)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> |
| 2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities. | COMPLIANT | <p>Despite one personality, Dr. Lucio C. Tan, holding Chairman and CEO positions in the Company, both roles are clearly defined.</p> <p>As Chairman, Dr. Tan shall manage and provide leadership of the Board of Directors. (Article III.K.1, Revised Manual on Corporate Governance). As CEO, Dr. Tan shall lead the development of the Company's vision and strategy and set the tone and position for the Company's brand image. (Article III.K.4)</p> <p>LTG Revised Manual on Corporate Governance Article III.K.1 and 4 (page 15 to 16)</p> |   |

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| <b>Recommendation 5.5</b>  |           |  |  |
| 1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.            | COMPLIANT | <p>While the Chairman is not Independent, the Board, in accordance with Article III I 1.2of the Company's Revised Corporate Governance Manual, is not required to designate a lead director among the Independent Directors except when the Management of the Company exceeds ten (10) persons.</p> <p>LTG Revised Manual on Corporate Governance Article III.I.1.2 (page 13)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> |  |
| <b>Recommendation 5.6</b>  |           |  |  |
| 1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction. | COMPLIANT | <p>For the past years, no Director has had any material interest in a transaction which would affect the Company. Nevertheless, the Company's RPT Policy would necessarily require him/her to abstain from taking part in any deliberation on the transaction.</p> <p>LTG Related Party Transactions Policy</p>  |  |

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|  |               | Article V.3.5 Conflict of Interest arising from RPTs (page 8)<br><br><a href="https://ltg.com.ph/related-party-transactions-policy/">https://ltg.com.ph/related-party-transactions-policy/</a> |   |
| <b>Recommendation 5.7</b>  |               |  |   |
| 1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present. | NON-COMPLIANT |  | There were no separate meetings attended to solely by the NEDs in the past year. However, moving forward, the Company will appoint a lead independent director to chair separate meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive director present. |
| 2. The meetings are chaired by the lead independent director.  | NON-COMPLIANT |  | There were no separate meetings attended to solely by the NEDs in the past year. However, moving forward, the Company will appoint a lead independent director to chair separate meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive director present. |
| <b>Optional: Principle 5</b>   |               |  |   |
| 1. None of the directors is a former CEO of the company in the past 2 years.   | COMPLIANT     | Dr. Lucio C. Tan has been the only CEO of the Company.<br><br>Qualifications of Board members on LTG website   |   |

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|  |           | <a href="https://ltg.com.ph/leadership/">https://ltg.com.ph/leadership/</a><br><br>2020 LTG Annual Report (pages 28 to 29)<br><br><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a> |  |
| <b>Principle 6:</b> 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. |           |   |  |
| <b>Recommendation 6.1</b>  |           |   |  |
| 1. Board conducts an annual self-assessment of its performance as a whole.   | COMPLIANT | The Company will be conducting the annual self-assessment of the whole Board regarding their performance as a whole, the Chairman for himself and each committee for their performance as a whole for the year 2020 in the no later than December 31 of each year.  |  |
| 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.  | COMPLIANT | The Company has just started the process of assessing the performance of its Board as a whole, the Chairman and all its committees. Support by an external facilitator is not yet deemed necessary.   |  |

**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

The Board conducts an annual self-assessment of its performance, including the performance of the Chairman, individual members, and committees no later than 31 December of every year. The annual Board assessment is intended to enable the Directors to thoroughly review their performance and understand their roles and responsibilities.

Relative to this, the Company has created a form to be filled out by the Chairman, Directors and all members of the Committee in the determination of their effective performance.

The form is based on the duties and responsibilities of the Company's Board of Directors as provided in its Revised Manual on Corporate Governance, and the different Committees as provided in their respective Charters.

LTG Revised Manual on Corporate Governance

Article III The Board of Directors (pages 5 to 16)

Article IV Board Committees (pages 16 to 23)

Article VI Management (pages 24 to 30)

<https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf>

Audit and Risk Management Committee Charter

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|  |           | <a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a><br><br>Nomination and Compensation Committee Charter<br><br><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf</a><br><br>Executive Committee Charter<br><br><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Executive-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Executive-Committee-Charter.pdf</a><br><br>Corporate Governance Committee Charter<br><br><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Corporate-Governance-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Corporate-Governance-Committee-Charter.pdf</a> |  |
| 2. The system allows for a feedback mechanism from the shareholders. | COMPLIANT | <p>The Company's Board allows for a feedback mechanism from the Shareholders during the Q&amp;A session of the Annual Stockholders' Meeting.</p> <p>Moreover, in compliance with the Company's Revised Manual on Corporate Governance, the Company encourages the shareholders to send their queries, complaints, and feedbacks through the Investor Relations Officer, whose contact details are available in the Company's website at</p>  |  |

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|   |           | <a href="https://ltg.com.ph/contact/">https://ltg.com.ph/contact/</a> . These will then be conveyed to the proper department for the appropriate response.   |  |
| <b>Principle 7:</b> Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.   |           |  |  |
| <b>Recommendation 7.1</b>   |           |  |  |
| 1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company. | COMPLIANT | <p>The Company's Code of Business Conduct and Ethics, created for the purpose of setting the standards of professional and ethical conduct expected of the Directors, Officers and the Employees of the Corporation, is uploaded in its website at <a href="https://ltg.com.ph/code-of-business-conduct-ethics/">https://ltg.com.ph/code-of-business-conduct-ethics/</a>.</p> <p>Said Code complements the Company's Revised Corporate Governance Manual as well as the Securities and Exchange Commission ("SEC") Memorandum Circular No. 19, Series of 2016.</p> |  |
| 2. The Code is properly disseminated to the Board, senior management and employees.   | COMPLIANT | The Board, senior management and the employees were properly informed of the Code of Business Conduct and Ethics through (1) memoranda sent to officers; and (2) discussions during Board meetings.  |  |
| 3. The Code is disclosed and made available to the public through the company website.  | COMPLIANT | The Company's Code of Business Conduct and Ethics is uploaded in its website at <a href="https://ltg.com.ph/code-of-business-conduct-ethics/">https://ltg.com.ph/code-of-business-conduct-ethics/</a> .  |  |

**Supplement to Recommendation 7.1**

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| 1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes. | COMPLIANT | <p>Under the Company's Code of Business Conduct and Ethics, uploaded in its website at <a href="https://ltg.com.ph/code-of-business-conduct-ethics/">https://ltg.com.ph/code-of-business-conduct-ethics/</a>, it is provided that the Corporation does not condone any act of bribery or corruption of government officials in order to facilitate transactions or obtain favors.</p> <p>Moreover, its Revised Corporate Governance Manual likewise provide that any person convicted by final judgment or order by a competent juridical or administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury, or other fraudulent acts shall be permanently disqualified to be nominated/elected as a Director.</p> |  |
| <b>Recommendation 7.2</b>  |           |   |  |
| 1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.                | COMPLIANT | To ensure strict compliance with the Company's Code of Business Conduct and Ethics, close monitoring is done by Management, together with the Company's Compliance Officer and Internal Audit.  |  |
| 2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.                              | COMPLIANT | Periodic checks are also done by the Board and the Board Committees during their meetings.  |  |



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|  |           | <p>For all its Directors, Senior Management and employees, the Company adopts a policy of, among others, full and prompt disclosure for all cases of conflict of interest; it strictly requires the conduct of business and fair dealings; it highly discourages receipt of gifts from third parties that will tend to undermine the duties of the persons involved; and it highly encourages prompt conflict resolution.</p> <p>To ensure its proper implementation and compliance, the Company disseminated the Code to all its employees, through memoranda or some other means. Violation of the provisions of the Code shall subject the violators to disciplinary actions, among others.</p> |  |
| <b>Disclosure and Transparency</b>   |           |  |  |
| <b>Principle 8:</b> The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.  |           |  |  |
| <b>Recommendation 8.1</b>  |           |  |  |
| 1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations. | COMPLIANT | The Company ensures the timely and immediate submission of necessary disclosures to regulatory agencies such as the Bureau of Internal Revenue (BIR), Philippine Stock Exchange (PSE) and Securities and Exchange Commission (SEC). All disclosures made are immediately uploaded and made available on the Company website.   |  |

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|  |  | <p>To ensure the accuracy and timeliness of Company disclosures and reports, internal deadlines are set to allow such necessary disclosures and reports to course through and be approved by proper authorities.</p> <p>The Company likewise has an Investor Relations Officer whose contact details are made available in the Company website.</p> <p>The Board ensures that policies and procedures are adhered to by Management, through the internal controls. Finally, the external auditing process represents a verification process to stand as an independent third party to intermediate the Company and Government-mandated standards.</p> <p>LTG Page in PSE Electronic Disclosure Registry<br/> <a href="https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=12">https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=12</a></p> <p>LTG Investor Relations Program<br/> <a href="https://ltg.com.ph/investor-relation-program/">https://ltg.com.ph/investor-relation-program/</a></p> |  |
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|   |           | <p>Corporate filings with the Philippine Stock Exchange (PSE) and Securities and Exchange Commission (SEC)</p> <p><a href="https://ltg.com.ph/results-of-stockholder-meetings-and-organizational-meetings-of-board/">https://ltg.com.ph/results-of-stockholder-meetings-and-organizational-meetings-of-board/</a></p> <p>LTG Revised Manual on Corporate Governance</p> <p>Article IV Board Committees (pages 16 to 23)</p> <p>Article VI Management (pages 24 to 30)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>Audit and Risk Management Committee Charter</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a></p> |  |
| Supplement to Recommendations 8.1   |           |  |  |
| <p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published</p> | COMPLIANT | <p>The Company ensures to submit all disclosures and documentary requirements in a timely manner to regulatory bodies, and immediately thereafter, make such available on Company website upon receipt of acknowledgment thereof by the regulatory bodies: BIR, SEC, PSE.</p>  |  |

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| <p>within forty-five (45) days from the end of the reporting period.</p>   |                  | <p>Internal deadlines are set ahead of schedule to ensure that disclosures and reports course through proper approval channels to balance accuracy and timeliness.</p> <p>LTG Page in PSE Electronic Disclosure Registry<br/> <a href="https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=12">https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=12</a></p> <p>Corporate filings with the Philippine Stock Exchange (PSE) and Securities and Exchange Commission (SEC)<br/> <a href="https://ltg.com.ph/results-of-stockholder-meetings-and-organizational-meetings-of-board/">https://ltg.com.ph/results-of-stockholder-meetings-and-organizational-meetings-of-board/</a></p> |  |
| <p>2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p> | <p>COMPLIANT</p> | <p>The Company's Audited Financial Statements, as included in the Company's Annual Report (17-A), was prepared by the LTG Accounting Team, reviewed by the independent external auditor. After which, the same was endorsed to the Audit and Risk Management Committee and thereafter submitted to the Board for final approval.</p> <p>2020 LTG Annual Financial Report (17-A)</p>   |  |

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|  |           | <a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/03/2021-Mar-25-LTG-17A-December-31-2020-1.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/03/2021-Mar-25-LTG-17A-December-31-2020-1.pdf</a><br><br>2020 Definitive Information Statement<br><br><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-2021-Definitive-Information-Statement.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-2021-Definitive-Information-Statement.pdf</a>  |  |
| <b>Recommendation 8.2</b>  |           |  |  |
| 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 | The Company's Revised Corporate Governance Manual, Article III.D.14.j, provides that a member of the Board of Directors is obligated to disclose or report to the Company any dealings in the Company's shares within three (3) business days.   |  |
| 2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.  | COMPLIANT | <p>The Company has disclosed with the SEC and the PSE on 20 January, 23 and 25 June, and 06 July 2020 the changes in the shareholdings of its President, Mr. Michael G. Tan, which were transacted on 16 January, 19 and 24 June and 26 June 2020, respectively.</p> <p>LTG Revised Manual on Corporate Governance Article III.D.14.j (page 8)</p> <a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a> |  |

**Supplement to Recommendation 8.2**

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| 1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program). | COMPLIANT | <p>The shareholdings of directors and management are provided in the Company's Definitive Information Statement which is submitted to the Securities and Exchange Commission (SEC) and subsequently disclosed to the Philippine Stock Exchange (PSE). The Company's top 100 shareholders was likewise disclosed to the PSE.</p> <p>2020 Definitive Information Statement</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/05/LTG-2020-Amended-Definitive-Information-Statement.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/05/LTG-2020-Amended-Definitive-Information-Statement.pdf</a></p> <p>2020 Announcement of LTG Share Buyback Program</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/03/2020-March-10.-Material-Information.-Buy-Back-Program..pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/03/2020-March-10.-Material-Information.-Buy-Back-Program..pdf</a></p> <p>LTG Share Transactions and Public Ownership Report</p> <p><a href="https://ltg.com.ph/ownership/">https://ltg.com.ph/ownership/</a></p> |  |
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**Recommendation 8.3**

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| 1. Board fully discloses all relevant and material information on individual board members to | COMPLIANT | Directors' academic qualifications, share ownership in the company, membership in other |  |
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| evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.   |           | boards, other executive positions, professional experiences, expertise and relevant trainings attended are made available in Company's website at <a href="https://ltg.com.ph/leadership/">https://ltg.com.ph/leadership/</a>   |  |
| 2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment. | COMPLIANT | Certification of Independent Directors<br><a href="https://ltg.com.ph/certification-of-independent-directors/">https://ltg.com.ph/certification-of-independent-directors/</a>   |  |
| <b>Recommendation 8.4</b>  |           |   |  |
| 1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.  | COMPLIANT | <p>In accordance with Article IV.B.3.1 to 8 of the Revised Manual on Corporate Governance, in the determination of the remuneration of the CEO and the most highly compensated management officers in the Company, consideration is basically anchored on the set of skills they possess and their value to the Company.</p> <p>However, the subsidiaries, which are matured companies where salaries and remuneration processes are supervised and monitored by the respective Nomination and Compensation Committees and vetted by the respective Corporate Governance Committees, have their respective salary structures and remuneration policies. The officers running the offices for said purpose are the most qualified professionals in</p> |  |

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|  |  | <p>the field. Moreover, the systems, policies and procedures are in accordance with the best policies and practices in the industry.</p> <p>The Board members, on the other hand, receive a fixed allowance per month and a per diem for every meeting attended.</p> <p>LTG Revised Manual on Corporate Governance Article IV.B (page 16 to 17)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>LTG Nomination and Compensation Committee Charter</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf</a></p> <p>LTG Company Website</p> <p>Nomination and Compensation Committee</p> <p><a href="https://ltg.com.ph/board-committees/">https://ltg.com.ph/board-committees/</a></p> <p>2020 LTG Annual Report (page 30)</p> |  |
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| 2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same. | COMPLIANT | <p>The Directors of the Company receive an allowance of P30,000.00 a month and a per diem of P25,000.00 for every Board meeting and P15,000.00 for every Committee meeting attended. Other than the stated allowance and the per diem of the Directors, no other standard arrangements are received by the Directors of the Company as compensation, directly or indirectly, for any services provided as a Director, including any additional amounts payable for Committee participation or special assignments, for the last completed fiscal year and the ensuing year.</p> <p>The allowance and per diems of Directors are disclosed in the Information Statement furnished to the stockholders before each Annual Shareholders' Meeting. Although the stockholders do not approve the total remuneration of the Board, any questions thereon may be raised during the Annual Shareholders' Meeting.</p> |  |

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|  |  | <p>LTG Revised Manual on Corporate Governance Article IV.B (page 16 to 17)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>LTG Nomination and Compensation Committee Charter</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf</a></p> <p>LTG Company Website</p> <p>Nomination and Compensation Committee</p> <p><a href="https://ltg.com.ph/board-committees/">https://ltg.com.ph/board-committees/</a></p> <p>2020 LTG Annual Report (page 30)</p> <p>Corporate Governance Report &gt; Board Committees &gt; Nomination and Compensation Committee</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a></p> <p>2020 LTG Annual Financial Report (Form 17-A) Part III.10</p> |  |
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|   |               | Control and Compensation Information > Executive Compensation (page 74)<br><br><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/03/2021-Mar-25-LTG-17A-December-31-2020-1.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/03/2021-Mar-25-LTG-17A-December-31-2020-1.pdf</a>   |  |
| 3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.  | NON-COMPLIANT |  | <p>Page 79 of the Company's Annual Financial Report (17-A) provides a Summary Compensation Table for the highest paid officers of the Company and likewise enumerates the allowances and per diems received by its directors.</p> <p>2020 LTG Annual Financial Report (Form 17-A) Part III.10</p> <p>Control and Compensation Information &gt; Executive Compensation (page 79)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/03/2021-Mar-25-LTG-17A-December-31-2020-1.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/03/2021-Mar-25-LTG-17A-December-31-2020-1.pdf</a></p> |
| <b>Recommendation 8.5</b>   |               |  |  |
| 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 Company has established a Related Party Transactions Policy wherein the Audit and Risk Management Committee shall have authority to exercise oversight functions over Related Party Transactions. These oversight functions include the Committee's duty of reviewing and passing upon related party transactions before they are elevated to the Board; and evaluating, on an ongoing basis, the existing relations between and |  |

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|  |  | <p>among businesses and counterparties to ensure that all Related Parties are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties, from non-related to related and vice versa, are captured. The materiality threshold is set at ten percent (10%) of the Company's total assets based on its latest audited financial statement – total assets based on its total consolidated assets.</p> <p>No conflict of interests was reported in the year 2020.</p> <p>LTG Related Party Transactions Policy</p> <p>Article IV Board and Senior Management Oversight (pages 5 to 7)</p> <p><a href="https://ltg.com.ph/related-party-transactions-policy/">https://ltg.com.ph/related-party-transactions-policy/</a></p> <p>LTG Board Committees</p> <p>General Summary of LTG's Executive Committee, Nomination and Compensation Committee, Corporate Governance Committee, Audit and Risk Management Committee</p> <p><a href="https://ltg.com.ph/board-committees/">https://ltg.com.ph/board-committees/</a></p> |  |
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|  |           | <p>LTG Audit and Risk Management Committee Charter Article 4.4 (pages 8 to 9)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a></p> <p>LTG Revised Manual on Corporate Governance Article IV.C.3.3 (page 21)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> |  |
| 2. Company discloses material or significant RPTs reviewed and approved during the year. | COMPLIANT | <p>In the normal course of business, the Company and its subsidiaries transact with various related parties. Detailed disclosures are discussed in Note 22 of the Notes to Consolidated Financial Statements.</p> <p>2020 LTG Annual Financial Report (17-A)</p> <p>Notes to the Financial Statements</p> <p>Note 22 (pages 106 to 107)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/03/2021-Mar-25-LTG-17A-December-31-2020-1.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/03/2021-Mar-25-LTG-17A-December-31-2020-1.pdf</a></p>   |  |
| <b>Supplement to Recommendation 8.5</b>  |           |  |  |

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| <p>1. Company requires directors to disclose their interests in transactions or any other conflict of interests.</p> | <p>COMPLIANT</p> | <p>Pursuant to Section 3.6 of the Company's Code of Business Conduct and Ethics, all directors and key officers shall disclose to the Board of Directors or to the Audit and Risk Management Committee, as the case may be, any material transaction or relation that would result in actual or potential conflict of interest. Article VI of the Company's Related Party Transactions Policy provides for the guidelines/elements to deal with or avoid RPTs.</p> <p>LTG Related Party Transactions Policy</p> <p>Article VI General Policies and Procedures</p> <p><a href="https://ltg.com.ph/related-party-transactions-policy/">https://ltg.com.ph/related-party-transactions-policy/</a></p> <p>LTG Board Committees</p> <p>General Summary of LTG's Executive Committee, Nomination and Compensation Committee, Corporate Governance Committee, Audit and Risk Management Committee</p> <p><a href="https://ltg.com.ph/board-committees/">https://ltg.com.ph/board-committees/</a></p> <p>LTG Audit and Risk Management Committee Charter Article 4.4 (pages 8 to 9)</p> |  |
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|  |           | <a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a><br><br>LTG Revised Manual on Corporate Governance<br>Article IV.C.3.3 (page 21)<br><br><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a><br><br>LTG Code of Business Conduct and Ethics<br><br><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2018-Sep-4.-LTG-Code-of-Business-Conduct-and-Ethics.-whistle-blowing-conflict-of-interest-insider-trading-RPT.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2018-Sep-4.-LTG-Code-of-Business-Conduct-and-Ethics.-whistle-blowing-conflict-of-interest-insider-trading-RPT.pdf</a> |  |
| <b>Optional : Recommendation 8.5</b>   |           |  |  |
| 1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length. | COMPLIANT | <p>The Company adheres to industry standards and practices. Hence, the transactions have been fairly evaluated and long-term contracts have not been entered into. Without any long-term supplier contracts, the Company is free to source its desired material from any third-party suppliers, should the need arise.</p> <p>The Company also ensures that all contracts entered or intended to be entered into are</p>   |  |

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|  |           | <p>conducted fairly and at arm's length, as provided in its Related Party Transactions Policy.</p> <p>LTG Related Party Transactions Policy</p> <p>Article I Policy Statement (page 2)</p> <p>Article IV Board and Senior Management Oversight (pages 5 to 7)</p> <p><a href="https://ltg.com.ph/related-party-transactions-policy/">https://ltg.com.ph/related-party-transactions-policy/</a></p>  |  |
| <b>Recommendation 8.6</b>  |           |   |  |
| <p>1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.</p> | COMPLIANT | <p>Article IX on Disclosure and Transparency of the Company's Revised Manual on Corporate Governance provides that "in addition to the full disclosure policy of the Philippine Stock Exchange, the Board of Directors of the Company is committed to promoting timely, fair and transparent disclosures of material events affecting the Company."</p> <p>All material facts or events are timely disclosed to the PSE and subsequently uploaded in the Company's website.</p> <p>LTG Page in PSE Electronic Disclosure Registry</p> |  |



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|  |           | <a href="https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=12">https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=12</a><br><br>Corporate filings with the Philippine Stock Exchange (PSE) and Securities and Exchange Commission (SEC)<br><br><a href="https://ltg.com.ph/results-of-stockholder-meetings-and-organizational-meetings-of-board/">https://ltg.com.ph/results-of-stockholder-meetings-and-organizational-meetings-of-board/</a><br><br>LTG Revised Manual on Corporate Governance Article IX (page35)<br><br><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a> |  |
| 2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets. | COMPLIANT | <p>General policy guidance of LTG's RPT Policy requires the Company to ensure that RPTs are transacted on arm's length basis, fair, under the best interest of the company, and at a price similarly offered to third parties.</p> <p>Given that price is of primary concern, Article VI.4.1 of the said Policy allows the hiring of an external independent party to evaluate the fairness of the transaction price. Accordingly, the Company may seek the evaluation of legitimate independent accredited institutions. It is important to note that the subsidiary bank strictly implements an independent evaluation of its</p>  |  |

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|  |               | <p>assets and, where necessary, conducts strict bidding to get the best value for its assets.</p> <p>LTG Related Party Transactions Policy</p> <p>Article VI.4.1 General Policies and Procedures (page 10)</p> <p><a href="https://ltg.com.ph/related-party-transactions-policy/">https://ltg.com.ph/related-party-transactions-policy/</a></p> |  |
| <b>Supplement to Recommendation 8.6</b>  |               |   |  |
| 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     | At present, the Company does not have any shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact its control, ownership, and strategic direction.   |  |
| <b>Recommendation 8.7</b>  |               |   |  |
| 1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).   | COMPLIANT     | <p>LTG Revised Manual on Corporate Governance</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p>  |  |
| 2. Company's MCG is submitted to the SEC and PSE.  | NON-COMPLIANT |   | The Company has updated its Revised Manual on Corporate Governance last 11 February 2020. A copy of which is submitted to the SEC and uploaded in its website. |

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| 3. Company's MCG is posted on its company website.  | COMPLIANT     | LTG Revised Manual on Corporate Governance<br><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a>   |  |
| <b>Supplement to Recommendation 8.7</b>   |               |   |  |
| 1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices. | NON-COMPLIANT |   | <p>The Company has updated its Revised Manual on Corporate Governance last 11 February 2020. A copy is submitted to the SEC and uploaded in its website.</p> <p>LTG Revised Manual on Corporate Governance<br/><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> |
| <b>Optional: Principle 8</b>  |               |   |  |
| 1. Does the company's Annual Report disclose the following information:   |               |   |  |
| a. Corporate Objectives   | COMPLIANT     | <p>The Company's vision and mission guide our corporate objectives: financial performance, economic, and societal contribution.</p> <p>LTG's Vision is to be a world-class conglomerate at the forefront of Philippine economic growth, successfully maintaining a strong presence and dominant position in key Philippine industries</p> |  |

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|  |  | <p>while ensuring continuous benefits to its consumers, communities, employees, business partners, and shareholders.</p> <p>Anchored to its Vision, the Company commits to these mission statements:</p> <ol style="list-style-type: none"> <li>1. To increase stockholder values through long-term growth in its major business groups.</li> <li>2. To continuously improve the value of its products and services and to provide consumers with more and better choices.</li> <li>3. To build the largest, most effective distribution network and widest customer reach in the Philippines.</li> <li>4. To leverage on synergies between its various business to continuously improve revenues and cost structure.</li> <li>5. To enhance the welfare of its employees and the communities where it lives and works.</li> </ol> <p>The latest reviews were made on 17 January 2020 and 09 February 2021.</p> |  |
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|   |           | <p>LTG Website (About &gt; Our Company &gt; Mission and Vision)</p> <p><a href="https://ltg.com.ph/vision-and-mission/">https://ltg.com.ph/vision-and-mission/</a></p> <p>2020 LTG Annual Report (page 2)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a></p>   |  |
| b. Financial performance indicators     | COMPLIANT | <p>2020 LTG Annual Report (pages 2-3)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a></p> <p>2020 LTG Annual Financial Report (Form 17-A) pages 63 to 66</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/03/2021-Mar-25-LTG-17A-December-31-2020-1.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/03/2021-Mar-25-LTG-17A-December-31-2020-1.pdf</a></p> |  |
| c. Non-financial performance indicators | COMPLIANT | <p>2020 LTG Annual Report (pages 14 to 27)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a></p> <p>2020 LTG Annual Financial Report (Form 17-A)</p> <p>Part I Business and General Information (pages 4 to 53)</p>   |  |

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|   |           | <a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/03/2021-Mar-25-LTG-17A-December-31-2020-1.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/03/2021-Mar-25-LTG-17A-December-31-2020-1.pdf</a><br><br>2020 Sustainability Report (Stand-alone)<br><br><a href="https://ltg.com.ph/sustainability-reports/">https://ltg.com.ph/sustainability-reports/</a><br><br>2020 Sustainability Report, as attached to the Company's Annual Report 17A (Pages 272 to 338)<br><br><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/03/2021-Mar-25-LTG-17A-December-31-2020-1.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/03/2021-Mar-25-LTG-17A-December-31-2020-1.pdf</a> |  |
| d. Dividend Policy  | COMPLIANT | 2020 LTG Annual Report (page 33)<br><br><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a><br><br>LTG Revised Manual on Corporate Governance Article VII.E (page 32)<br><br><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a>   |  |
| e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors | COMPLIANT | 2020 LTG Annual Report (pages 28 to 29)<br><br><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a>   |  |

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|   |               | <p>2020 LTG Annual Financial Report (Form 17-A) pages 67 to 71</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/03/2021-Mar-25-LTG-17A-December-31-2020-1.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/03/2021-Mar-25-LTG-17A-December-31-2020-1.pdf</a></p> <p>Respective profiles of LTG Board Directors on corporate website</p> <p><a href="https://ltg.com.ph/leadership/">https://ltg.com.ph/leadership/</a></p> |  |
| f. Attendance details of each director in all directors meetings held during the year | COMPLIANT     | <p>2020 LTG Annual Report (pages 28-29)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a></p>  |  |
| g. Total remuneration of each member of the board of directors                        | NON-COMPLIANT |   | <p>Page 79 of the Company's Annual Financial Report (17-A) provides a Summary Compensation Table for the highest paid officers of the Company and likewise enumerates the allowances and per diems received by its directors.</p> <p>2019 LTG Annual Financial Report (Form 17-A) Part III.10</p> <p>Control and Compensation Information &gt; Executive Compensation (page 74)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/03/2021-Mar-25-LTG-17A-December-31-2020-1.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/03/2021-Mar-25-LTG-17A-December-31-2020-1.pdf</a></p> |

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| 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.           | NON-COMPLIANT |  | <p>Page 31 of the Company's Annual Report provides that the Company's "being a publicly listed corporation, the Company is mandated to religiously comply with the rules and regulations of the SEC and the PSE and make sure that the investing public is immediately informed of any material information relating to or affecting the Company.</p> <p>In its pursuit of achieving good corporate governance, the Company, immediately after approval or confirmation by the Board of any material information, actions or decisions which may or might affect the Company, files and submits with the SEC any and all documents necessary for the purpose. These submissions are subsequently disclosed to the PSE and uploaded in the Company website at <a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">www.ltg.com.ph</a> for immediate dissemination to its Stockholders and the investing public."</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a></p> |
| 3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems. | COMPLIANT     | In the said report, it is provided that during board meetings, all its subsidiaries are well represented by their respective Chief Financial Officers and Chief Operating Officers who shall report on the operational results of each subsidiary. Thereafter, |   |



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|   |           | <p>when there is no need for further clarifications, the Board approves the same.</p> <p>2020 LTG Annual Report (pages 30)</p> <p>Audit and Risk Management Committee &gt; Enumerated Committee Resolutions</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a></p> |  |
| 4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.  | COMPLIANT | <p>2020 LTG Annual Financial Report (Form 17-A) page 80</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/03/2021-Mar-25-LTG-17A-December-31-2020-1.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/03/2021-Mar-25-LTG-17A-December-31-2020-1.pdf</a></p>   |  |
| 5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).  | COMPLIANT | <p>2020 LTG Annual Financial Report (Form 17-A) pages 25 to 35</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/03/2021-Mar-25-LTG-17A-December-31-2020-1.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/03/2021-Mar-25-LTG-17A-December-31-2020-1.pdf</a></p>  |  |
| <p><b>Principle 9:</b> 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.</p> |           |  |  |
| <p><b>Recommendation 9.1</b></p>  |           |  |  |
| 1. Audit Committee has a robust process for approving and recommending the appointment,   | COMPLIANT | Consistent with the Audit and Risk Management Charter Article 4.2, the Audit and Risk Management Committee exercises Audit   |  |

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| <p>reappointment, removal, and fees of the external auditors.</p>  |                  | <p>Oversight Functions which include the recommendation to the Board the appointment, dismissal, replacement and re-appointment of the External Auditors, duly accredited by the regulators (subject to stockholders ratification), based on fair and transparent criteria such as, but not limited to, core values, culture and high regard for excellence in audit quality and independence. The Committee also recommend the compensation of the external auditor in relation to the scope of its duties and all audit engagement fees and terms.</p> <p>Audit and Risk Management Committee Charter Article 4.2 (pages 4 to 7)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a></p> <p>LTG Revised Manual on Corporate Governance Article IV.C.3.1 (pages 18 to 19)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></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>During the Company's Annual Stockholders' Meeting held last 30 June 2020, the stockholders confirmed and ratified all acts and resolutions of the Board of Directors and Management for the year ended 31 December 2019, which included,</p>  |  |

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|  |           | <p>among others, the appointment of the Auditing firm SGV &amp; Co. as external auditor for the year 2020-2021.</p> <p>Audit and Risk Management Charter Article 4.2.1 to 2 serve as principal structure for the Audit Oversight Functions of the Committee.</p> <p>Audit and Risk Management Committee Charter Article 4.2 (pages 4 to 7)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a></p> <p>LTG Revised Manual on Corporate Governance Article IV.C.3.1 (pages 18 to 19)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></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 Company's Revised Manual on Corporate Governance Article V.B.2 provides that the resignation, dismissal, or cessation of engagement of an External Auditor shall be reported in the Company's annual report explaining in detail the reason/s for such move (e.g. disagreement on accounting principles and practices, financial statement disclosure, or auditing scope or procedure). In case of the</p>  |  |

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|  |  | <p>removal of the External Auditor, the reasons for removal or change shall be disclosed to the regulators and the public through the Company website and required disclosures.</p> <p>In 2020, no valid reason/s arose which would necessitate the removal or change of the external auditor.</p> <p>In compliance with the Securities and Exchange Commission's (SEC) Code of Corporate Governance for Publicly Listed Companies in the Philippines, which require that the external auditor and/or auditing firm should be changed, or the lead and concurring partners be rotated, every five (5) years or earlier, an external auditor tender process was conducted in 2018 and culminated in 2019.</p> <p>LTG Revised Manual on Corporate Governance Article V.B.2 (page 24)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>LTG External Auditor Tender Process</p> <p><a href="https://ltg.com.ph/tender-process-policy/">https://ltg.com.ph/tender-process-policy/</a></p> |  |
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|  |           | <a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/External-Auditor-Tender-Process-Policy.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/External-Auditor-Tender-Process-Policy.pdf</a>  |  |
| <b>Supplement to Recommendation 9.1</b>                                      |           |  |  |
| 1. Company has a policy of rotating the lead audit partner every five years. | COMPLIANT | <p>In compliance with Rule 68 (3)(B)(ix) of the Securities Regulation Code, the Company's Revised Manual on Corporate Governance Article V.B.4 provides that the independent accounting firm or its handling partner shall be replaced every five (5) years or earlier.</p> <p>Moreover, in its Charter Article 4.2.5, the Audit and Risk Management Committee's functions include ensuring that the rotation process of External Auditors or firms are observed and implemented.</p> <p>Due to key changes in leadership in SGV &amp; Co., the Company's External Auditor, the handling partner was changed in 2020 from Mr. Martin Guantes to Ms. Aileen Saringan.</p> <p>Audit and Risk Management Committee Charter Article 4.2.5 (page 5)</p> |  |

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|  |           | <a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a><br><br>LTG Revised Manual on Corporate Governance Article V.B.4 (page 24)<br><br><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a>  |  |
| <b>Recommendation 9.2</b>  |           |   |  |
| 1. Audit Committee Charter includes the Audit Committee's responsibility on: <ul style="list-style-type: none"> <li>i. assessing the integrity and independence of external auditors;</li> <li>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</li> <li>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</li> </ul> | COMPLIANT | Article IV Section 2 of the Audit and Risk Management Committee Charter provides that the Committee's Audit Oversight function shall include, among others, (1) discussing with the External Auditor, prior to the commencement of the audit, the nature, scope and expenses of the audit, and ensuring the proper coordination if more than one (1) audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts; (2) considering the independence and effectivity of the External Auditor, including reviewing the range of services provided in the context of all consulting services bought by the Company; (3) meeting with the External Auditors, without the presence of the Company's Management, at least annually to verify that the External Auditors act independently, and is given unrestricted access to all records, properties and personnel to enable it to perform its audit functions; and (4) evaluating and determining the non-audit work, if any, of the |  |
| 2. Audit Committee Charter contains the Committee's responsibility on reviewing and  | COMPLIANT |   |  |

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| <p>monitoring the external auditor's suitability and effectiveness on an annual basis.</p> |  | <p>External Auditor, and the periodic review of the non-audit fees paid to them in relation to their significance to the total annual income of the latter and to the Company's overall consultancy expenses. The Committee shall disallow any non-audit work that will conflict with the duties of the External Auditor or may pose a threat to its independence.</p> <p>In 2018, the Company implemented its policy on External Auditor Tender Process which includes the provision for periodic assessment of the performance of external auditor, the results of which were made applicable for the year 2019.</p> <p>Audit and Risk Management Committee Charter Article 4.2 (page 4 to 7)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a></p> <p>LTG Revised Manual on Corporate Governance Article IV.C.3 (page 18 to 21)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>LTG External Auditor Tender Process</p> |  |
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|  |           | <a href="https://ltg.com.ph/tender-process-policy/">https://ltg.com.ph/tender-process-policy/</a><br><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/External-Auditor-Tender-Process-Policy.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/External-Auditor-Tender-Process-Policy.pdf</a>  |  |
| <b>Supplement to Recommendations 9.2</b>   |           |   |  |
| 1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions. | COMPLIANT | <p>The Audit and Risk Management Committee ensures that its external auditor has adequate quality control procedures. It shall recommend to the Board, per its Charter Article 4.2, the appointment, dismissal, replacement and re-appointment of the External Auditor on the basis of core values for audit quality excellence, technical competence, independence, effectivity of process, and reliability of audit reports. Such procedures are mandated by the Committee to be reported by its External Auditors during the Committee meetings.</p> |  |
| 2. Audit Committee ensures that the external auditor has adequate quality control procedures.  | COMPLIANT | <p>The Company implemented its Policy on External Auditor Tender Process in 2018, which includes the provision for periodic assessment of the performance of external auditor. The results of the tender process were made applicable for the year 2019.</p> <p>Audit and Risk Management Committee Charter Article 4.2.2 (page 4 to 5)</p>   |  |



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|   |           | <a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a><br><br>LTG Revised Manual on Corporate Governance<br>Article IV.C.3 3.1.e (page 19)<br><br><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a><br><br>LTG External Auditor Tender Process<br>Evaluation Criteria (page 3)<br><br><a href="https://ltg.com.ph/tender-process-policy/">https://ltg.com.ph/tender-process-policy/</a><br><br><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/External-Auditor-Tender-Process-Policy.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/External-Auditor-Tender-Process-Policy.pdf</a> |  |
| <b>Recommendation 9.3</b>   |           |   |  |
| 1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest. | COMPLIANT | By virtue of its Charter (Article 4.2.9) and Revised Manual on Corporate Governance (Article IV.C.3.g), the Committee shall disallow any non-audit work that will conflict with the duties of the External Auditor or may pose a threat to its independence. The Committee is obligated to disclose, if allowed, matters relating to the non-audit services performed by the External Auditor.  |  |

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|  |           | <p>The non-audit services is disclosed on Item 7.c (page 16) of the Company's Amended Definitive Information Statement.</p> <p>Audit and Risk Management Committee Charter Article 4.2.9</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a></p> <p>LTG Revised Manual on Corporate Governance Article IV.C.3 3.1.e (page 19)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>2020 Definitive Information Statement</p> <p>Item 7.c Information on Independent Accountant and other Related Matters &gt; All Other Fees (page 16)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/05/LTG-2020-Amended-Definitive-Information-Statement.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/05/LTG-2020-Amended-Definitive-Information-Statement.pdf</a></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. | COMPLIANT | <p>Pursuant to the Audit and Risk Management Committee Charter, Article 4.2.4, the Committee keeps itself up to date of any potential conflict of interest situations which could be viewed as impairing the external auditor's objectivity. The</p>  |  |

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|   |           | <p>external auditors are mandated to confirm their independence every year.</p> <p>Audit and Risk Management Committee Charter Article 4.2.4 (page 5)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a></p> <p>LTG Revised Manual on Corporate Governance Article IV.C.3 3.1.c (page 18)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> |  |
| <b>Supplement to Recommendation 9.3</b>   |           |  |  |
| 1. Fees paid for non-audit services do not outweigh the fees paid for audit services. | COMPLIANT | <p>A computation of the audit and non-audit fees paid to the External Auditors is disclosed on Item 7a and 7c, pages 15 to 16 of the Company's Amended Definitive Information Statement.</p> <p>Moreover, the Annual Report, under the heading 'External Auditor', provides information on audit fees paid to the External Auditors.</p> <p>2020 Definitive Information Statement</p>  |  |

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|   |           | <p>Item 7.c Information on Independent Accountant and other Related Matters &gt; All Other Fees (page 16)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/05/LTG-2020-Amended-Definitive-Information-Statement.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/05/LTG-2020-Amended-Definitive-Information-Statement.pdf</a></p> <p>2020 LTG Annual Report (pages 30-31)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a></p> |  |
| <b>Additional Recommendation to Principle 9</b>                                     |           |   |  |
| 1. Company's external auditor is duly accredited by the SEC under Group A category. | COMPLIANT | <p>The Company's external auditor is</p> <p>Sycip Gorres Velayo &amp; Co. (SGV &amp; Co.) with office address at 6760 Ayala Avenue, Makati City, 1226 Metro Manila, Philippines</p> <p>Aileen L. Saringan</p> <p>Partner-In-Charge</p> <p>CPA Certificate No. 72557</p> <p>SEC Accreditation No. 0096-AR-5 (Group A), July 25, 2019, valid until July 24, 2022</p> <p>Tax Identification No. 102-089-397</p>  |  |

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|   |           | BIR Accreditation No. 08-001998-058-2020, December 3, 2020, valid until December 2, 2023<br><br>PTR No. 8534360, January 4, 2021, 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. was subjected to SOAR inspection on 12-23 November 2018. The names of the members of the engagement team were provided by SGV & Co. to the SEC during the SOAR inspection.   |  |
| <b>Principle 10:</b> The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.  |           |  |  |
| <b>Recommendation 10.1</b>  |           |  |  |
| 1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability. | COMPLIANT | <p>The Company established its Sustainability Reporting Framework in 2019 and prepared its first Sustainability Report for 2019 which was approved by the Board on March 10, 2020.</p> <p>In 2020, the Company's second Sustainability Report was approved by the Board on March 15, 2021.</p> <p>2020 Sustainability Report (Stand-alone)<br/> <a href="https://ltg.com.ph/sustainability-reports/">https://ltg.com.ph/sustainability-reports/</a></p> <p>2020 Sustainability Report, as attached to the Company's Annual Report 17A (Pages 272 to 338)</p> |  |

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|  |           | <a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/03/2021-Mar-25-LTG-17A-December-31-2020-1.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/03/2021-Mar-25-LTG-17A-December-31-2020-1.pdf</a>   |  |
| 2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.   | COMPLIANT | <p>The Company's Sustainability Report is prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option, and the sustainability reporting guide provided by the Philippine SEC in Memorandum Circular No. 4, series of 2019. The report is also aligned with the 17 United Nations (UN) Sustainable Development Goals (SDGs).</p> <p>2020 Sustainability Report (Stand-alone)</p> <p><a href="https://ltg.com.ph/sustainability-reports/">https://ltg.com.ph/sustainability-reports/</a></p> <p>2020 Sustainability Report, as attached to the Company's Annual Report 17A (Pages 272 to 338)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/03/2021-Mar-25-LTG-17A-December-31-2020-1.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/03/2021-Mar-25-LTG-17A-December-31-2020-1.pdf</a></p> |  |
| <p><b>Principle 11:</b> The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.</p> |           |   |  |

**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.

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In 2020, the Company conducted the Nine (9) Months 2020 Results on November 13, 2020, while the briefing for Full Year 2020 Results was held on 19 March 2021.

LTG disclosed the schedule of these briefings to the PSE at least a week before the briefing date. These were attended by analysts from different brokerages and local funds.

Regular press releases are disclosed to the PSE and SEC and distributed to the media, on quarterly and annual earnings results as well as events that may have a significant impact on the operations of the Company and its subsidiaries.

LTG Investor Relations Program

<https://ltg.com.ph/investor-relation-program/>

Company Notices of Analysts' Briefing

<https://ltg.com.ph/notice-of-analyst-briefing/>

**Supplemental to Principle 11**

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| 1. Company has a website disclosing up-to-date information on the following: |           | For further details on the documents, please visit:  |  |
| a. Financial statements/reports (latest quarterly)                           | COMPLIANT | Financial Reports (17-Q)<br><a href="https://ltg.com.ph/financial-reports-2/">https://ltg.com.ph/financial-reports-2/</a>  |  |
| b. Materials provided in briefings to analysts and media                     | COMPLIANT | <p>LTG Notices of Analysts' Briefing<br/><a href="https://ltg.com.ph/notice-of-analyst-briefing/">https://ltg.com.ph/notice-of-analyst-briefing/</a></p> <p>Presentation Materials of LTG Analysts' Briefings<br/><a href="https://ltg.com.ph/presentations/">https://ltg.com.ph/presentations/</a></p> <p>President's Reports of LTG Analysts' Briefings<br/><a href="https://ltg.com.ph/presidents-reports/">https://ltg.com.ph/presidents-reports/</a></p> <p>Press Releases Related to LTG Analysts' Briefings<br/><a href="https://ltg.com.ph/news/">https://ltg.com.ph/news/</a></p> |  |
| c. Downloadable annual report  | COMPLIANT | Historical Annual Reports<br><a href="https://ltg.com.ph/annual-reports/">https://ltg.com.ph/annual-reports/</a>   |  |



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|   |           | Historical Annual Financial Reports (17-A)<br><a href="https://ltg.com.ph/financial-reports-2/">https://ltg.com.ph/financial-reports-2/</a>                      |  |
| d. Notice of ASM and/or SSM                               | COMPLIANT | Notices of Annual Stockholders' Meeting<br><a href="https://ltg.com.ph/notice-of-assm/">https://ltg.com.ph/notice-of-assm/</a>                                   |  |
| e. Minutes of ASM and/or SSM                              | COMPLIANT | Minutes of Annual Stockholders' Meeting<br><a href="https://ltg.com.ph/minutes-of-stockholders-meeting/">https://ltg.com.ph/minutes-of-stockholders-meeting/</a> |  |
| f. Company's Articles of Incorporation and By-Laws        | COMPLIANT | Articles on Incorporation and Amended By-Laws<br><a href="https://ltg.com.ph/articles-of-incorporation/">https://ltg.com.ph/articles-of-incorporation/</a>       |  |
| <b>Additional Recommendation to Principle 11</b>          |           |  |  |
| 1. Company complies with SEC-prescribed website template. | COMPLIANT | Please visit the Company website at<br><a href="https://ltg.com.ph/">https://ltg.com.ph/</a> .   |  |

### Internal Control System and Risk Management Framework

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

#### Recommendation 12.1

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| <p>1. Company has an adequate and effective internal control system in the conduct of its business.</p> | <p>COMPLIANT</p> | <p>Article III.D.4 of the Company's Revised Manual on Corporate Governance provides that the Board, as part of its primary duties and responsibilities, shall ensure that the Company has good internal control and information management systems that can provide accurate, timely, and clear financial picture. There should be a continuing review of the internal control system in order to maintain its adequacy and effectiveness.</p> <p>The review of the internal controls of the Company shall be conducted at least annually and the Audit and Risk Management Committee shall review, assess and evaluate the work and performance of the Internal Audit.</p> <p>LTG Revised Manual on Corporate Governance<br/>Article III.D (pages 6 to 8)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a> Audit and Risk Management Committee Charter</p> <p>Article 1 (page 2)</p> |  |
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|  |           | <a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a>  |  |
| 2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.  | COMPLIANT | <p>The Company has its enterprise risk management framework which includes the identification of risks the Company currently faces, and risk management activities and processes.</p> <p>Enterprise Risk Management Policy</p> <p><a href="https://ltg.com.ph/enterprise-risk-management/">https://ltg.com.ph/enterprise-risk-management/</a></p>  |  |
| <b>Supplement to Recommendations 12.1</b>  |           |  |  |
| 1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances. | COMPLIANT | <p>As provided by Article 4.1.6 of Audit and Risk Management Committee Charter, one of the basic functions of the Audit and Risk Management Committee is to oversee the compliance programs across all businesses and ensure compliance issues are addressed by the Senior Management and/or the respective Board of the Company subsidiaries/affiliates on a timely basis.</p> <p>Audit and Risk Management Committee Charter</p> <p>Article 4.1.6 (page 4)</p> |  |

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|   |           | <a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a>  |  |
| <b>Optional: Recommendation 12.1</b>  |           |  |  |
| 1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board. | COMPLIANT | <p>The Company has created its own IT department composed of competent persons capable of securing the security of the information and system of the Company. They ensure that all data and information of the Company will not be leaked or otherwise prejudiced. The Company also has a Data Privacy Policy to ensure standard treatment and protection of company, employee, and customer data.</p> <p>Audit and Risk Management Committee Charter<br/>Article 4.2.7 (page 5)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a></p> <p>LTG Data Privacy Policy<br/><a href="https://ltg.com.ph/data-privacy-policy/">https://ltg.com.ph/data-privacy-policy/</a></p> |  |
| <b>Recommendation 12.2</b>  |           |  |  |
| 1. Company has in place an independent internal audit function that provides an independent and   | COMPLIANT | The Company has an internal audit department headed by its Chief Audit Executive (CAE) who   |  |

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| objective assurance, and consulting services designed to add value and improve the company's operations. |           | <p>is in-charge of the Group's internal audit function.</p> <p>LTG Revised Manual on Corporate Governance</p> <p>Article VI.C.5 Chief Audit Executive</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p>   |  |
| <b>Recommendation 12.3</b>   |           |  |  |
| 1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.                           | COMPLIANT | <p>Article VI(C)(5) of the Company's Revised Corporate Governance Manual provides that the functions of the CAE include, among others, the establishment of a risk-based internal audit plan, including policies and procedures, to determine the priorities of the internal audit activity, which should be consistent with the organization's goals and the spearheading of the performance of the internal audit activity to ensure it adds value to the organization.</p> <p>CAE Profile on Company Website</p> <p>Executive Officers</p> <p><a href="https://ltg.com.ph/leadership/">https://ltg.com.ph/leadership/</a></p> <p>LTG Revised Manual on Corporate Governance Committee Charter</p> |  |

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|  |           | <p>Article VI.C.5 Chief Audit Executive</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>2020 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board (page 2)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/2020-June-30.-Results-of-ASM-and-OMofBoD.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/2020-June-30.-Results-of-ASM-and-OMofBoD.pdf</a></p> <p>2020 Definitive Information Statement</p> <p>Item 5.b (page 12)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/05/LTG-2020-Amended-Definitive-Information-Statement.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/05/LTG-2020-Amended-Definitive-Information-Statement.pdf</a></p> |  |
| 2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider. | COMPLIANT | <p>The Internal Audit activity of the Company is governed by the Internal Audit Charter which covers the functions and the responsibility of the CAE including the outsourced services from third party providers, if any.</p> <p>Corporate Organizational Chart &amp; Corporate Structure</p> <p><a href="https://ltg.com.ph/organizational-chart/">https://ltg.com.ph/organizational-chart/</a></p>   |  |

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|   |           | <p>LTG Revised Manual on Corporate Governance Article VI.C.5 (page 28)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>Audit and Risk Management Committee Charter Article 4.2 (pages 4 to 7)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a></p> <p>LTG Internal Audit Charter</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/04/LTG-Internal-Audit-Charter-2018.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/04/LTG-Internal-Audit-Charter-2018.pdf</a></p> |  |
| <p>3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.</p> | COMPLIANT | <p>The Company has established its own internal audit activity which monitors, assesses and evaluates the operational efficiency and financial condition of the Company's internal controls. The internal audit functionally reports to the Company's Audit and Risk Management Committee and the respective subsidiaries' Audit Committee (except PNB).</p> <p>Moreover, in case of a fully outsourced internal audit activity, the Company's Internal Audit</p>   |  |

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|  |  | <p>Charter includes Guidelines for Outsourcing Internal Audit Activities to External Experts which provides that:</p> <p>"The CAE shall ensure that the knowledge or inputs from the outsourced experts shall be assimilated into the Company to the greatest extent possible"</p> <p>"The CAE should review the work of external service providers to evaluate the adequacy of work performed and the sufficiency of information obtained to afford a reasonable basis for the conclusions reached and the resolution of exceptions or other unusual matters."</p> <p>LTG Internal Audit Charter</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/04/LTG-Internal-Audit-Charter-2018.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/04/LTG-Internal-Audit-Charter-2018.pdf</a></p> <p>Audit and Risk Management Committee Charter</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a></p> |  |
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|  |           | <p>Corporate Organizational Chart &amp; Corporate Structure</p> <p><a href="https://ltg.com.ph/organizational-chart/">https://ltg.com.ph/organizational-chart/</a></p> <p>LTG Revised Manual on Corporate Governance Article VI.C.5 (page 28)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p>  |  |
| <b>Recommendation 12.4</b>   |           |   |  |
| 1. Company has a separate risk management function to identify, assess and monitor key risk exposures. | COMPLIANT | <p>The Company has its Audit and Risk Management Committee who exercises the functions of identifying, assessing, and monitoring key risk exposures.</p> <p>Audit and Risk Management Committee Charter Article 4.5 Risk Oversight Function (pages 7 to 8)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf</a></p> <p>Enterprise Risk Management Policy</p> <p><a href="https://ltg.com.ph/enterprise-risk-management/">https://ltg.com.ph/enterprise-risk-management/</a></p> |  |

**Supplement to Recommendation 12.4**

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| 1. Company seeks external technical support in risk management when such competence is not available internally. | COMPLIANT | <p>There has been no instance where the Company was compelled to seek external technical support in risk management. The Company maintains that its Audit and Risk Management Committee, with the implementation of its Chief Risk Officer, effectively implements its Enterprise Risk Management Policy.</p> <p>Enterprise Risk Management Policy</p> <p><a href="https://ltg.com.ph/enterprise-risk-management/">https://ltg.com.ph/enterprise-risk-management/</a></p> |  |
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**Recommendation 12.5**

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| 1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM). | COMPLIANT | <p>The Company appointed Mr. Jose Gabriel D. Olives as its Chief Risk Officer (CRO) last 09 July 2019.</p> <p>CRO Profile on Company Website</p> <p>Executive Officers</p> <p><a href="https://ltg.com.ph/leadership/">https://ltg.com.ph/leadership/</a></p> <p>LTG Revised Manual on Corporate Governance Article VI.C.6 (page 29)</p> |  |
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|  |           | <a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a> |  |
| 2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities. | COMPLIANT | CRO Profile on Company Website<br>Executive Officers<br><a href="https://ltg.com.ph/leadership/">https://ltg.com.ph/leadership/</a>   |  |

#### **Additional Recommendation to Principle**

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| 1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively. | COMPLIANT | The CAE attests in writing, through its Annual Report on the Internal Control Environment of the Company annually to be approved by the Audit and Risk Management Committee and endorsed to the Board, that the Company has a satisfactory internal control and compliance with policies, procedures and regulations with opportunities for further improvements particularly in areas of documentation on policies and procedures such as the sustainability reporting framework and transfer pricing policy and appropriate management dispositions of the recommendations cited by Internal and External Auditors in their audit observation reports. This attestation was based on the performed activities of the Internal Audit and the outcome of reviews undertaken by the external reviewer, SGV & Co. |  |
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#### **Cultivating a Synergic Relationship with Shareholders**

**Principle 13:** The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.

| <b>Recommendation 13.1</b>  |           |  |  |
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| 1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance. | COMPLIANT | <p>LTG Revised Manual on Corporate Governance</p> <p>Article VII The Shareholders (pages 30 to 34)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p>  |  |
| 2. Board ensures that basic shareholder rights are disclosed on the company's website.              | COMPLIANT | <p>Shareholder rights are included in the Company's Revised Manual on Corporate Governance.</p> <p>LTG Revised Manual on Corporate Governance</p> <p>Article VII The Shareholders (pages 30 to 34)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p>  |  |
| <b>Supplement to Recommendation 13.1</b>  |           |  |  |
| 1. Company's common share has one vote for one share.   | COMPLIANT | <p>Part VII (B) of the Company's Revised Manual on Corporate Governance provides that for the election of directors, the stockholder may vote such number of shares for as many persons as there are directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected, or he may distribute them on the same principle among as many candidates as he shall see fit; provided the total number of votes cast by him shall not exceed the number of shares owned</p> |  |

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|  |           | <p>by him multiplied by the number of directors to be elected.</p> <p>LTG Revised Manual on Corporate Governance<br/>Article VII.B.5 (page 31)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p>   |  |
| 2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.   | COMPLIANT | <p>Part VII (H) of the Company's Revised Manual on Corporate Governance enumerates the basic right of its shareholders to fair treatment and protection.</p> <p>LTG Revised Manual on Corporate Governance<br/>Article VII.H (page 33 to 34)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> |  |
| 3. Board has an effective, secure, and efficient voting system.  | COMPLIANT | Part VII (B) of the Company's Revised Manual on Corporate Governance provides that voting shall be done orally, taking into account the number of shares represented by the voting shareholders. The Corporate Secretary or his/her duly authorized representative, to be assisted by the Company's independent accountant or by the representative of the External Auditor, shall conduct the counting of votes.   |  |
| 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 |   |  |

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|   |           | <p>LTG Revised Manual on Corporate Governance</p> <p>Article VII.B (page 31)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p>   |  |
| <p>5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.</p> | COMPLIANT | <p>Part VII (A) of the Company's Revised Manual on Corporate Governance, in accordance with its By-laws, grants its shareholders the right to call a Special Shareholders' Meeting by written notice to the Corporate Secretary at least ninety (90) days before the suggested date of the meeting.</p> <p>LTG Revised Manual on Corporate Governance</p> <p>Article VII.A (page 30)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> |  |
| <p>6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.</p>   | COMPLIANT | <p>Part VII of the Company's Revised Corporate Governance Manual enumerates the rights of the shareholders, including the treatment of minority shareholders. This includes, among others, the right to vote and the right to be furnished with relevant information as required by law about the Company on a timely and regular basis.</p> <p>LTG Revised Manual on Corporate Governance</p>  |  |

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|   |                  | <p>Article VII The Shareholders (pages 30 to 34)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p>   |  |
| <p>7. Company has a transparent and specific dividend policy.</p> | <p>COMPLIANT</p> | <p>Part VII (E) of the Company's Revised Manual on Corporate Governance provides for its Dividend Policy.</p> <p>On 22 May 2020, the Company declared and authorized the distribution of Regular cash dividends of PhP0.15 per share and Special cash dividends of PhP0.28 per share to all stockholders of record as of 08 June 2020, which shall be paid out not later than 17 June 2020.</p> <p>Likewise, on 14 August 2020, the Company declared and authorized the distribution of Special cash dividends of PhP0.23 per share to all stockholders of record as of 02 September 2020, which shall be paid out not later than 08 September 2020.</p> <p>Lastly, on 23 November 2020, the Company declared and authorized the distribution of Special cash dividends of PhP0.15 per share to all stockholders of record as of 09 December 2020, which shall be paid out not later than 14 December 2020.</p> |  |

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|                                      |  | <p>As the Company strictly adheres to the guidance of good corporate governance, the stockholders were paid within 30 days from the time it was approved, declared, and disclosed to the PSE.</p> <p>Below are the dates when dividends were declared and the corresponding payment dates to the stockholders:</p> <p>Declaration date/ Payment date:</p> <p>May 22, 2020 / June 17 2020</p> <p>August 14, 2020 / September 8, 2020</p> <p>November 23, 2020 / December 14, 2020</p> <p>2020 LTG Annual Report (page 33)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a></p> <p>LTG Revised Manual on Corporate Governance Article VII.E (page 32)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> |  |
| <b>Optional: Recommendation 13.1</b> |  |  |  |



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| <p>1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.</p>   | <p>COMPLIANT</p> | <p>Part VII (B) of the Company's Revised Manual on Corporate Governance provides that voting shall be done orally, taking into account the number of shares represented by the voting shareholders. The Corporate Secretary or his/her duly authorized representative, to be assisted by the Company's independent accountant or by the representative of the External Auditor, shall conduct the counting of votes.</p> <p>LTG Revised Manual on Corporate Governance<br/>Article VII.B (page 31)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>In 2020, the validation of the votes and proxies were attended to by the Corporate Secretary, her duly authorized representatives, the External Counsel and the Stock and Transfer Agents.</p> |  |
| <p><b>Recommendation 13.2</b></p>   |                  |   |  |
| <p>1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.</p> | <p>COMPLIANT</p> | <p>In 2020, notice of the annual stockholders' meeting was done through publication, both print and online format, in two (2) newspapers of general circulation at least twenty-one (21) days before the date of the meeting, in accordance with the Notice of the SEC dated 20 April 2020, which was issued in light of the ongoing COVID-19 pandemic.</p>   |  |

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|  |  | <p>The notices were published through the Philippine Daily Inquirer and the Philippine Star, in print and online format, on 04 and 05 June 2020 while the Annual Stockholders' meeting was held last 30 June 2020.</p> <p>As part of the agenda of the meeting, shareholders' approval of remuneration or any changes therein were included in their ratification of all acts, transactions and resolutions by the Board and Management in 2019.</p> <p>2020 Definitive Information Statement</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/05/LTG-2020-Amended-Definitive-Information-Statement.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/05/LTG-2020-Amended-Definitive-Information-Statement.pdf</a></p> <p>2020 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/2020-June-30.-Results-of-ASM-and-OMofBoD.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/2020-June-30.-Results-of-ASM-and-OMofBoD.pdf</a></p> <p>Minutes of the Annual Stockholders' Meeting of LT Group, Inc. on 07 May 2019</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/Minutes-of-Annual-">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/Minutes-of-Annual-</a></p> |  |
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|   |           | <a href="#">Stockholders%E2%80%99-Meeting-June-30-2020.pdf</a>   |  |
| <b>Supplemental to Recommendation 13.2</b>  |           |  |  |
| 1. Company's Notice of Annual Stockholders' Meeting contains the following information:   |           |  |  |
| a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies) | COMPLIANT | The Company's Information Statement and Notice of the Annual Stockholders' Meeting with proxy documents, are available at the Company's website.   |  |
| b. Auditors seeking appointment/re-appointment  | COMPLIANT | Notices of Annual Stockholders' Meeting<br><a href="https://ltg.com.ph/notice-of-assm/">https://ltg.com.ph/notice-of-assm/</a>   |  |
| c. Proxy documents  | COMPLIANT | 2020 Definitive Information Statement<br><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/05/LTG-2020-Amended-Definitive-Information-Statement.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/05/LTG-2020-Amended-Definitive-Information-Statement.pdf</a> |  |
| <b>Optional: Recommendation 13.2</b>  |           |  |  |
| 1. Company provides rationale for the agenda items for the annual stockholders meeting  | COMPLIANT | The Company provides the meeting agenda to its stockholders through the Notice to the Annual Stockholders' Meeting sent to them at least thirty (30) days prior to the scheduled meeting, attaching therewith a copy of the Company's Definitive Information Statement.                        |  |

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|  |           | <p>However, in 2020, due to the COVID-19 pandemic, the SEC issued a Notice dated 20 April 2020 allowing corporations to publish the notice to the Annual Stockholders' Meeting. Hence, the Company published the notice to stockholders, in print and online format, via the Philippine Daily Inquirer and the Philippine Star. The meeting agenda was included in said publication, together with the link to the necessary documents where the stockholders can access them.</p> <p>Notices of Annual Stockholders' Meeting<br/> <a href="https://ltg.com.ph/notice-of-assm/">https://ltg.com.ph/notice-of-assm/</a></p> <p>2020 Definitive Information Statement<br/> <a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/05/LTG-2020-Amended-Definitive-Information-Statement.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/05/LTG-2020-Amended-Definitive-Information-Statement.pdf</a></p> |  |
| <b>Recommendation 13.3</b>   |           |  |  |
| 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 | <p>The results of the meeting was made available on the same day, 30 June 2020 via the Philippine Stock Exchange's Online Disclosure System. The results may likewise be viewed and downloaded from the Company's website.</p>   |  |

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|  |           | <p>2020 Definitive Information Statement</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/05/LTG-2020-Amended-Definitive-Information-Statement.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/05/LTG-2020-Amended-Definitive-Information-Statement.pdf</a></p> <p>2020 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/2020-June-30.-Results-of-ASM-and-OMofBoD.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/2020-June-30.-Results-of-ASM-and-OMofBoD.pdf</a></p> <p>Minutes of the Annual Stockholders' Meeting of LT Group, Inc. on 30 June 2020</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/Minutes-of-Annual-Stockholders%E2%80%99-Meeting-June-30-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/Minutes-of-Annual-Stockholders%E2%80%99-Meeting-June-30-2020.pdf</a></p> |  |
| 2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting. | COMPLIANT | <p>Minutes of the Annual Stockholders' Meeting of LT Group, Inc. on 30 June 2020</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/Minutes-of-Annual-Stockholders%E2%80%99-Meeting-June-30-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/07/Minutes-of-Annual-Stockholders%E2%80%99-Meeting-June-30-2020.pdf</a></p>   |  |
| <b>Supplement to Recommendation 13.3</b>   |           |   |  |
| 1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.          | COMPLIANT | <p>The Company sent necessary invite to SGV on 20 June 2020 or 10 days prior to the meeting to inform them of the date of the Annual Stockholders' Meeting.</p>   |  |

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|   |           | The External Auditor and Senior Officers of the Company and its subsidiaries attended the ASM.  |  |
| <b>Recommendation 13.4</b>  |           |   |  |
| 1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner. | COMPLIANT | <p>Part VIII of the Company's Revised Manual on Corporate Governance provides for the procedure to be followed should intra-corporate disputes arise.</p> <p>Alternative Dispute Resolution</p> <p>LTG Revised Manual on Corporate Governance<br/>Article VIII Alternative Dispute Resolution (pages 34 to 35)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> |  |
| 2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.   | COMPLIANT | <p>LTG Revised Manual on Corporate Governance<br/>Article VIII Alternative Dispute Resolution (pages 34 to 35)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p>   |  |
| <b>Recommendation 13.5</b>  |           |   |  |

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| 1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.                                     | COMPLIANT     | <p>Ms. Annabelle Arceo, is the Company's Investor Relations Officer.</p> <p>LTG Revised Manual on Corporate Governance<br/>Article VI.C.7 Investor Relations Officer (page 29)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>Contact details of the Company IRO<br/><a href="https://ltg.com.ph/contact/">https://ltg.com.ph/contact/</a></p> |   |
| 2. IRO is present at every shareholder's meeting.  | COMPLIANT     | The IRO was present during the Annual Shareholders' Meeting held last 30 June 2020.   |   |
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| 1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group | COMPLIANT     | There have been no instances in 2020 where management has requested Board approval for anti-takeover measures or similar devices to entrench ineffective management or the existing controlling shareholder group.  |   |
| 2. Company has at least thirty percent (30%) public float to increase liquidity in the market.   | NON-COMPLIANT |   | The Company has a public float of 25.63%, in compliance with the minimum regulatory public float. |
| <b>Optional: Principle 13</b>  |               |   |   |

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| 1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting   | COMPLIANT | <p>The Company has appointed an Investor Relations Officer to ensure active participation of shareholders with regard the activities and policies of the Company, in accordance with its Revised Manual on Corporate Governance.</p> <p>LTG Revised Manual on Corporate Governance<br/>Article VI.C.7 Investor Relations Officer (page 29)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>Contact details of the Company IRO<br/><a href="https://ltg.com.ph/contact/">https://ltg.com.ph/contact/</a></p> |  |
| 2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.   | COMPLIANT | To ensure that the stockholders are able to exercise their right to vote during the Annual Stockholders' Meeting despite the threat of the Covid-19 pandemic, the Company allowed voting in absentia in compliance with the Philippine Corporation Law.   |  |
| <b>Duties to Stakeholders</b>  |           |   |  |
| <b>Principle 14:</b> 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. |           |   |  |
| <b>Recommendation 14.1</b>   |           |   |  |
| 1. Board identifies the company's various stakeholders and promotes cooperation  | COMPLIANT | The Company encourages its stakeholders to raise their issues and concerns as well as give their suggestions for the betterment of the  |  |



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| <p>between them and the company in creating wealth, growth and sustainability.</p> |  | <p>Company before, during and after the Annual Stockholders' Meeting.</p> <p>Shareholder rights are enumerated on the Revised Manual on Corporate Governance. Article VII.C and D state both Shareholder Right to Inspect or Examine Corporate Records and the Right to Information.</p> <p>The Company also established an Investor Relations Program to allow cooperation between the Company and its stakeholders.</p> <p>Article VII The Shareholders (pages 29 to 33)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf</a></p> <p>LTG Revised Manual on Corporate Governance</p> <p>Article VI.C.7 Investor Relations Officer (page 29)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>2020 Sustainability Report (Stand-alone)</p> <p><a href="https://ltg.com.ph/sustainability-reports/">https://ltg.com.ph/sustainability-reports/</a></p> |  |
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|  |           | Contact details of the Company IRO, Stock and Transfer Agent, and General Queries<br><a href="https://ltg.com.ph/contact/">https://ltg.com.ph/contact/</a>  |  |
| <b>Recommendation 14.2</b>   |           |   |  |
| 1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.  | COMPLIANT | Part VII (H) of the Company's Revised Manual on Corporate Governance provides the right of the Stockholders to fair treatment and protection.<br><br>LTG Revised Manual on Corporate Governance<br>Article VII.H (page 33 to 34)<br><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a> |  |
| <b>Recommendation 14.3</b>   |           |   |  |
| 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 stockholders may voice their concerns and/or complaints for possible violation of their rights through the Corporate Secretary, Atty. Ma. Cecilia L. Pesayco, 2/F Allied Bank Center, 6754 Ayala Avenue, Makati City, Philippines, 8810-2451 and/or through the Investor Relations Officer, Ms. Annabelle D. Arceo, whose contact details are available on the website.   |  |

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|   |           | <p>2020 Sustainability Report (Stand-alone)</p> <p><a href="https://ltg.com.ph/sustainability-reports/">https://ltg.com.ph/sustainability-reports/</a></p> <p>Contact details of the Company IRO, Stock and Transfer Agent, and General Queries</p> <p><a href="https://ltg.com.ph/contact/">https://ltg.com.ph/contact/</a></p>   |  |
| <b>Supplement to Recommendation 14.3</b>  |           |  |  |
| <p>1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.</p>   | COMPLIANT | <p>Section VIII of the Company's Revised Manual on Corporate Governance provides for the Alternative Dispute Resolution.</p> <p>LTG Revised Manual on Corporate Governance<br/>Article VIII Alternative Dispute Resolution (pages 34 to 35)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> |  |
| <b>Additional Recommendations to Principle 14</b>   |           |  |  |
| <p>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</p> | COMPLIANT | <p>There is none. The Company does not seek any exemption from any law, rule or regulations especially when it refers to a corporate governance issue. Rather, the Company does its best to comply with the recommendations of the SEC in its pursuit of good corporate governance.</p>  |  |

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| being taken to finally comply with the applicable law, rule or regulation.      |           |   |  |
| 2. Company respects intellectual property rights.                               | COMPLIANT | <p>Item II (A)(3) of the Company's Revised Manual on Corporate Governance provides the Company's general policy which is to be <i>transparent</i> in its activities without sacrificing the confidentiality of its trade secrets, formulae, and other intellectual properties.</p> <p>LTG Revised Manual on Corporate Governance<br/>Article II.A.3 (page 5)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> |  |
| <b>Optional: Principle 14</b>   |           |   |  |
| 1. Company discloses its policies and practices that address customers' welfare | COMPLIANT | <p>The Company, being a holding company, delegated to its subsidiaries the task of ensuring that the customers' welfare is properly addressed.</p> <p>Accordingly, the subsidiaries ensure that their respective customers are able to get the value of their money and that their transactions are not unduly delayed.</p>   |  |

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|   |           | <p>Nevertheless, Item 3.11 of the Company's Code of Business Conduct and Ethics likewise provide that "Customers of the Corporation shall be treated with respect and kindness. Transactions with clients shall be fair and in good faith. Discrimination based on race, religion, sex, gender, age, language or nationality shall at all times be prohibited."</p> <p>LTG Code of Business Conduct and Ethics Article 3.11 (page 6)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2018-Sep-4.-LTG-Code-of-Business-Conduct-and-Ethics.-whistle-blowing-conflict-of-interest-in-insider-trading-RPT.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2018-Sep-4.-LTG-Code-of-Business-Conduct-and-Ethics.-whistle-blowing-conflict-of-interest-in-insider-trading-RPT.pdf</a></p> <p>2020 Sustainability Report (Stand-alone)</p> <p><a href="https://ltg.com.ph/sustainability-reports/">https://ltg.com.ph/sustainability-reports/</a></p> |  |
| 2. Company discloses its policies and practices that address supplier/contractor selection procedures | COMPLIANT | <p>There is no need for the Company to disclose any policy or practice which would address the supplier/contractor selection procedures since, as a conglomerate, the Company only shares the respective supplier/contractor selection practice of its subsidiaries.</p> <p>In engaging the services of a supplier/contractor, the Company uses as basis the applicant</p>   |  |

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|  |           | <p>supplier/contractor's competency, qualification as well as the quality of their products/services. Moreover, the Company ensures that they are paid correctly and on time.</p> <p>Article VI.C.1.f of the Company's Revised Manual on Corporate Governance provides that it is the duty of the President/COO to fulfill corporate obligations to the Company's customers, suppliers, employees and shareholders.</p> <p>LTG Revised Manual on Corporate Governance Article VI.C.1.f (pages 25)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>2020 Sustainability Report (Stand-alone)</p> <p><a href="https://ltg.com.ph/sustainability-reports/">https://ltg.com.ph/sustainability-reports/</a></p> |  |
| <p><b>Principle 15:</b> 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.</p> |           |   |  |
| <p><b>Recommendation 15.1</b></p>  |           |   |  |
| 1. Board establishes policies, programs and procedures that encourage employees to   | COMPLIANT | <p>Article VI.C.1.f of the Company's Revised Manual on Corporate Governance provides that it is the duty of the President/COO to fulfill corporate obligations to the Company's</p>   |  |

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| <p>actively participate in the realization of the company's goals and in its governance.</p>  |                  | <p>customers, suppliers, employees and shareholders.</p> <p>LTG Revised Manual on Corporate Governance Article VI.C.1.f (pages 25)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>LTG Health, Safety and Welfare Policy</p> <p><a href="https://ltg.com.ph/health-safety-welfare-policy/">https://ltg.com.ph/health-safety-welfare-policy/</a></p> |  |
| <p><b>Supplement to Recommendation 15.1</b></p>   |                  |   |  |
| <p>1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.</p> | <p>COMPLIANT</p> | <p>The Company promotes advancement among its employees for consistently exceeding expectations over two (2) years. The Board grants performance bonuses, when so warranted.</p> <p>LTG Company Website</p> <p>Nomination and Compensation Committee</p> <p><a href="https://ltg.com.ph/board-committees/">https://ltg.com.ph/board-committees/</a></p> <p>2020 LTG Annual Report (page 30)</p> <p>Corporate Governance Report &gt; Board Committees &gt; Nomination and Compensation Committee</p>   |  |

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|   |           | <a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a><br><br>2020 LTG Annual Financial Report (Form 17-A) Part III.10<br><br>Control and Compensation Information > Executive Compensation (page 74)<br><br><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/03/2021-Mar-25-LTG-17A-December-31-2020-1.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/03/2021-Mar-25-LTG-17A-December-31-2020-1.pdf</a><br><br>2020 LTG Annual Report (page 32)<br><br>Corporate Governance Report > Board Remuneration: Compensation of Directors and Executive Officers<br><br><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a> |  |
| 2. Company has policies and practices on health, safety and welfare of its employees. | COMPLIANT | The Company offers health care benefits covered by the health insurance provider of the Company.<br><br><br>The Health, Safety and Welfare Policy, posted on the website, guides the Company employees regarding welfare concerns to ensure effectivity of employees in the workplace.<br><br><br>LTG Health, Safety and Welfare Policy  |  |



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|  |           | <a href="https://ltg.com.ph/health-safety-welfare-policy/">https://ltg.com.ph/health-safety-welfare-policy/</a><br><br>2020 Sustainability Report (Stand-alone)<br><br><a href="https://ltg.com.ph/sustainability-reports/">https://ltg.com.ph/sustainability-reports/</a>  |  |
| 3. Company has policies and practices on training and development of its employees.  | COMPLIANT | <p>Employees are made to attend seminars and training programs to enhance their knowledge and to acquire new information.</p> <p>The Health, Safety and Welfare Policy, posted on the website, guides the Company employees regarding welfare concerns to ensure effectivity of employees in the workplace.</p> <p>LTG Health, Safety and Welfare Policy<br/> <a href="https://ltg.com.ph/health-safety-welfare-policy/">https://ltg.com.ph/health-safety-welfare-policy/</a></p> |  |
| <b>Recommendation 15.2</b>   |           |   |  |
| 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 | The Company's Code of Business Conduct and Ethics (Article 3.13.1), in relation to its Revised Manual on Corporate Governance stipulates compliance with laws, rules and regulations. The Code also provides for the penalties to be imposed in case of violation of the Company's rules and regulations and its Manual.  |  |

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|  |           | <p>LTG Code of Business Conduct and Ethics<br/>Article 3.13 Compliance with Laws, Rules and Regulations</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2018-Sep-4.-LTG-Code-of-Business-Conduct-and-Ethics.-whistle-blowing-conflict-of-interest-in-insider-trading-RPT.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2018-Sep-4.-LTG-Code-of-Business-Conduct-and-Ethics.-whistle-blowing-conflict-of-interest-in-insider-trading-RPT.pdf</a></p> <p>2020 Sustainability Report (Stand-alone)</p> <p><a href="https://ltg.com.ph/sustainability-reports/">https://ltg.com.ph/sustainability-reports/</a></p> |  |
| <p>2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.</p> | COMPLIANT | <p>The Corporation, as a holding company, is tasked to oversee the proper management of its subsidiaries. For this reason, the conduct of the necessary trainings and seminars are implemented by its operating companies, in compliance with the SEC rules.</p> <p>Likewise, the Company disseminates its own policies and programs to its employees through memoranda, when necessary.</p> <p>LTG Revised Manual on Corporate Governance<br/>Article IV (pages 16 to 23)</p>  |  |

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|   |           | <a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a><br><br>LTG Code of Business Conduct and Ethics<br><br><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2018-Sep-4.-LTG-Code-of-Business-Conduct-and-Ethics.-whistle-blowing-conflict-of-interest-inisder-trading-RPT.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2018-Sep-4.-LTG-Code-of-Business-Conduct-and-Ethics.-whistle-blowing-conflict-of-interest-inisder-trading-RPT.pdf</a><br><br>LTG Health, Safety and Welfare Policy<br><br><a href="https://ltg.com.ph/health-safety-welfare-policy/">https://ltg.com.ph/health-safety-welfare-policy/</a><br><br>2020 Sustainability Report (Stand-alone)<br><br><a href="https://ltg.com.ph/sustainability-reports/">https://ltg.com.ph/sustainability-reports/</a> |  |
| <b>Supplement to Recommendation 15.2</b>  |           |  |  |
| 1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes. | COMPLIANT | <p>The Company's Code of Business Conduct and Ethics (Article 3.13.1) provides that the Corporation does not condone any act of bribery or corruption of government officials in order to facilitate transactions or obtain favors.</p> <p>3.13.2 Directors, Officers and Employees of the Corporation shall comply with all governmental laws, rules and regulations."</p>  |  |

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|   |           | <p>Violators shall be penalized based on the penalties imposed under the Company's Revised Manual on Corporate Governance. In 2020, no incidents concerning the offering, paying and receiving bribes were reported.</p> <p>LTG Code of Business Conduct and Ethics Article 3.13 (page 6)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2018-Sep-4.-LTG-Code-of-Business-Conduct-and-Ethics.-whistle-blowing-conflict-of-interest-inisder-trading-RPT.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2018-Sep-4.-LTG-Code-of-Business-Conduct-and-Ethics.-whistle-blowing-conflict-of-interest-inisder-trading-RPT.pdf</a></p> |  |
| <b>Recommendation 15.3</b>  |           |  |  |
| 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 | <p>The Company's Code of Business Conduct and Ethics provides for a whistle-blowing policy.</p> <p>LTG Code of Business Conduct and Ethics Article 4 (page 6 to 8)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2018-Sep-4.-LTG-Code-of-Business-Conduct-and-Ethics.-whistle-blowing-conflict-of-interest-inisder-trading-RPT.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2018-Sep-4.-LTG-Code-of-Business-Conduct-and-Ethics.-whistle-blowing-conflict-of-interest-inisder-trading-RPT.pdf</a></p> <p>2020 Sustainability Report (Stand-alone)</p>  |  |

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| 2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns. | COMPLIANT | <p>Based on item 4.1.3 (1) (2) and (3) of the Company's Code of Business Conduct and Ethics, an employee shall report any known or suspected misconduct or violation of the Code to his or her immediate supervisor, who shall determine if there is reasonable ground to support the complaint. Upon his or her determination of the existence of reasonable ground, the immediate supervisor shall formalize the report in a written complaint and submit the same to the Human Resources Department.</p> <p>If the immediate supervisor is the subject of the complaint, the employee shall direct his or her complaint to the head of the Human Resources Department.</p> <p>Any complaint against a Director or Executive Officer received by the Human Resources Department shall be directed to the Corporate Governance Committee.</p> <p>LTG Code of Business Conduct and Ethics Article 4.1 (page 6 to 7)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2018-Sep-4.-LTG-Code-of-">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2018-Sep-4.-LTG-Code-of-</a></p> |  |

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|  |           | <a href="#">Business-Conduct-and-Ethics.-whistle-blowing-conflict-of-interest-inisder-trading-RPT.pdf</a>  |  |
| 3. Board supervises and ensures the enforcement of the whistleblowing framework. | COMPLIANT | <p>The Board ensures that all employees may be able to voice out their concerns without fear of retaliation. Hence, the establishment of the Non-retaliation Policy which is found in the Company's Code of Business Conduct and Ethics.</p> <p>In 2020, no circumstance arose which required the Board to enforce the policy.</p> <p>LTG Code of Business Conduct and Ethics Article 4 (page 6 to 8)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2018-Sep-4.-LTG-Code-of-Business-Conduct-and-Ethics.-whistle-blowing-conflict-of-interest-inisder-trading-RPT.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2018-Sep-4.-LTG-Code-of-Business-Conduct-and-Ethics.-whistle-blowing-conflict-of-interest-inisder-trading-RPT.pdf</a></p> |  |

**Principle 16:** The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

**Recommendation 16.1**

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| 1. Company recognizes and places importance on the interdependence between business and | COMPLIANT | The Company, through its foundation, Tan Yan Kee, gives back to the public by offering |  |
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| <p>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>scholarship programs, training, donations and tree planting activities, among others. Tan Yan Kee is supported by partners primarily composed of our subsidiaries. The Company and its subsidiaries also conduct activities that directly help communities and support government initiatives.</p> <p>Tan Yan Kee Foundation Website<br/> <a href="http://www.tanyankee.org/">http://www.tanyankee.org/</a></p> <p>2020 LTG Annual Report (pages 36-45)<br/> <a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a></p> <p>2020 Sustainability Report (Stand-alone)<br/> <a href="https://ltg.com.ph/sustainability-reports/">https://ltg.com.ph/sustainability-reports/</a></p> |  |
| <b>Optional: Principle 16</b>   |                  |  |  |
| <p>1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development</p>  | <p>COMPLIANT</p> | <p>The Company, through its subsidiaries, is constantly adopting ways such as the use of reusable glass bottles to promote environment friendly products, boost efficiency measures within its office premises and plant offices, investing in environment-friendly materials for its buildings, build up waste management programs to lessen waste pollution, and the like.</p>   |  |

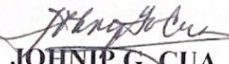
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|   |           | <p>2020 LTG Annual Report (pages 36-51)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a></p> <p>2020 Sustainability Report (Stand-alone)</p> <p><a href="https://ltg.com.ph/sustainability-reports/">https://ltg.com.ph/sustainability-reports/</a></p>  |  |
| 2. Company exerts effort to interact positively with the communities in which it operates | COMPLIANT | <p>The Corporate Code of Conduct found under Article II.A.7 of the Company's Revised Manual on Corporate Governance, requires the Company to always be conscious of its social responsibility to its employees and to the communities in which it conducts its business. It shall always consider the environment in its operating strategy and initiatives.</p> <p>LTG Revised Manual on Corporate Governance Article II.A.7 (page 5)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/04/LTG-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p>Tan Yan Kee Foundation Website</p> <p><a href="http://www.tanyankee.org/">http://www.tanyankee.org/</a></p> |  |

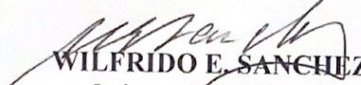


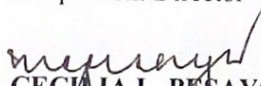
|  |  |   |  |
|--|--|---|--|
|  |  | <p>2020 LTG Annual Report (pages 36-51)</p> <p><a href="https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf">https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/05/LTG-2020-AR-Final-On-line-Version-050321220pm.pdf</a></p> <p>2020 Sustainability Report (Stand-alone)</p> <p><a href="https://ltg.com.ph/sustainability-reports/">https://ltg.com.ph/sustainability-reports/</a></p> |  |
|--|--|---|--|


IN WITNESS WHEREOF, we, have hereunto set our hands and seal at the City of Makati, Philippines, this MAY 27 2021.


**LUCIO C. TAN**  
Chairman and Chief Executive Officer

  
**JOHNIP G. CUA**  
Independent Director

  
**WILFRIDO E. SANCHEZ**  
Independent Director

  
**MA. CECILIA L. PESAYCO**  
Corporate Secretary

  
**MICHAEL G. TAN**  
President and Chief Operating Officer

  
**MARY G. NG**  
Independent Director

  
**FLORENCIA G. TARRIELA**  
Independent Director

  
**MARIVIC T. MOYA**  
Asst. Corporate Secretary & Compliance Officer

#### ACKNOWLEDGEMENT

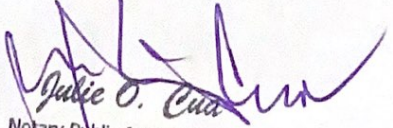
REPUBLIC OF THE PHILIPPINES )  
MAKATI, METRO MANILA ) SS.

BEFORE ME, a notary public, for and in Makati City on this MAY 27 2021,  
personally appeared the following:

| Name                   | I.D. | Date/Place Issued |
|------------------------|------|-------------------|
| Lucio C. Tan           |      |                   |
| Michael G. Tan         |      |                   |
| Johnip G. Cua          |      |                   |
| Mary G. Ng             |      |                   |
| Wilfrido E. Sanchez    |      |                   |
| Florencia G. Tarriela  |      |                   |
| Ma. Cecilia L. Pesayco |      |                   |
| Marivic T. Moya        |      |                   |

WITNESS MY HAND AND SEAL, on the date and place first above written.

Doc. No.: 387  
Page No.: 36  
Book No.: LVIII  
Series of 2021.

  
Notary Public for Makati City  
Roll of Attorneys No. 35358  
PTR No. 8533078X1-4-2021/Makati City  
IBP Lifetime Member No. 00104  
6/F 6754 Ayala Avenue, Makati City  
MCLE Compliance No. VI-0017668/01-31-2016  
Commission No. M-68 until 31 December 2022