



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

<p>*Items under (1) – (3) must be answered/disclosed by the PLCs following the “comply or explain” approach. Answering of items under (4) are left to the discretion of PLCs.</p>			
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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 **2022**
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. **11th Floor Unit 3, Bench Tower, 30th 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/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
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.H. (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: 1. Holder of at least one thousand (1000) shares of stock of the Company; 2. Bachelor's degree or equivalent experience in managing the business as gained from the profession and/or industry; 3. At least twenty-one (21) years of age; 4. Proven to possess integrity and probity; and 5. Have attended an annual seminar on corporate governance with a duly accredited or recognized private or government	
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		

		<p>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>LTG Revised Manual on Corporate Governance https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>The list of the respective academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of the directors is uploaded in the Company website at https://ltg.com.ph/leadership/.</p> <p>Other references:</p> <p>2022 Definitive Information Statement (pages 5 to 9) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/2022-March-30.-LTG-2022-Definitive-Information-Statement.pdf</p> <p>2022 LTG Annual Report https://ltg.com.ph/annual-reports/</p> <p>Amended By-Laws, Article 2 Sections 1 to 6 (pages 1 to 5) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/LTG-Amended-By-Laws-2019.pdf</p>	
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Recommendation 1.2

1. Board is composed of a majority of non-executive directors.

COMPLIANT

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 7 non-executive directors, namely:

Carmen K. Tan, Karlu T. Say, Vivienne K. Tan, Florencia G. Tarriela, Wilfrido E. Sanchez, Johnip G. Cua and Mary G. Ng.

LTG Revised Manual on Corporate Governance Section III.F (pages 8 to 9)

<https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf>

The composition of the Board of Directors may likewise be viewed at <https://ltg.com.ph/leadership/>

Other references:

Minutes of the Annual Stockholders' Meeting of LTG on 04 May 2022 - Section VIII. Election of Directors (pages 6 to 7)

<https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-ASM-MINUTES-202248.pdf>

Amended By-Laws, Article 2 Sections 1 to 6 (pages 1 to 5)

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/LTG-Amended-By-Laws-2019.pdf	
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	COMPLIANT	The Corporation's revised Manual on Corporate Governance provides that,	
2. Company has an orientation program for first time directors.	COMPLIANT	<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>New 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 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>Lastly, all Directors are encouraged to attend or join on-going or continuous professional</p>	

		<p>education programmes via information or invitation delivered by or through the Corporate Secretary.</p> <p>There were no new Directors in 2022, hence no need arose for the conduct of an orientation program.</p> <p>On 14 September 2022, the Company conducted a Groupwide Corporate Governance Webinar with Sycip, Gorres, Velayo & Company (SGV & Co.) as the service provider. This webinar was attended to by the directors and key officers within the Group.</p> <p>LTG's Revised Manual on Corporate Governance, Section III.C (page 6)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</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>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/11/LTG-2022-Annual-Corporate-Governance-Seminar-Certificate-of-Attendance.pdf</p>	
3. Company has relevant annual continuing training for all directors.	COMPLIANT	<p>Last 14 September 2022, all Directors and Key Officers of the Company attended the Groupwide Corporate Governance webinar with the firm of Sycip, Gorres, Velayo & Company (SGV & Co.) as the service provider. This webinar was</p>	

		<p>arranged by the Company for the benefit of the whole Group.</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>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/11/LTG-2022-Annual-Corporate-Governance-Seminar-Certificate-of-Attendance.pdf</p>	
Recommendation 1.4			
1. Board has a policy on board diversity.	COMPLIANT	<p>The Company has recently updated its Manual on Corporate Governance to include a specific provision on board diversity.</p> <p>The Manual provides that in determining nominees to the Board, the following qualifications are some factors which should be considered by the Nomination and Compensation Committee: Age; Gender; Race/Ethnicity; Cultural and educational background; Skills/professional background; Business experience; Competence; Knowledge; Possible contribution to the Board; and Expertise in the various fields involving finance, taxation, corporate governance, among others.</p> <p>LTG's Revised Manual on Corporate Governance, Section III.G on Board Diversity Policy (page 9)</p>	

		<p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>In 2022, the Company has six (6) women directors, namely: Ms. Carmen K. Tan, Ms. Karlu T. Say, 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 likewise represent diversity in industry specialties and combined hundreds of years in business and technical experience.</p> <p>List of the respective academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of the directors:</p> <p>https://ltg.com.ph/leadership/</p> <p>2022 Definitive Information Statement (pages 5 to 9)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/2022-March-30.-LTG-2022-Definitive-Information-Statement.pdf</p> <p>2022 LTG Annual Report</p> <p>https://ltg.com.ph/annual-reports/</p> <p>2022 Sustainability Report (Stand-alone)</p> <p>https://ltg.com.ph/sustainability-reports/</p>	
Optional: Recommendation 1.4			

<p>1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.</p>	<p>COMPLIANT</p>	<p>As provided above, the Company has recently updated its Manual on Corporate Governance to provide the necessary provision on board diversity. The responsibility to ensure that objectives are met and disclosed lies with the Nomination and Compensation Committee.</p> <p>Based on the revised Manual, it states that in designing the Board's composition, the Company shall consider the following factors, which includes but shall not be limited to: Age; Gender; Race/Ethnicity; Cultural and educational background; Skills/professional background; Business experience; Competence; Knowledge; Possible contribution to the Board; and Expertise in the various fields involving finance, taxation, corporate governance, among others.</p> <p>LTG's Revised Manual on Corporate Governance, Section III.G on Board Diversity Policy (page 9)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>2022 Sustainability Report (Stand-alone)</p> <p>https://ltg.com.ph/sustainability-reports/</p>	
<p>Recommendation 1.5</p>			
<p>1. Board is assisted by a Corporate Secretary.</p>	<p>COMPLIANT</p>	<p>The Company's Corporate Secretary religiously attends all regular and special board meetings.</p>	

		<p>She likewise responds to personal and email queries of the directors, as necessary.</p> <p>She 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> <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"> 1) Prepares, signs, and logs the minutes of the meetings of the Board of Directors; 2) Oversees the delivery of legally required notices to members of Management, shareholders, third parties, state agencies, and others; 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 	
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		<p>business judgment and to perform their responsibilities and obligations;</p> <p>4) Assists the President in preparing for and holding meetings of Management;</p> <p>5) Keep abreast of relevant laws, regulations, all governance issues, relevant industry developments and operations of the 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 Section VI.C.3 (pages 28 to 29)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>Other references:</p> <p>Corporate Organizational Chart & Corporate Structure</p> <p>https://ltg.com.ph/organizational-chart/</p> <p>LTG Executive Officers (Leadership > Executive Officers)</p> <p>Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings</p> <p>https://ltg.com.ph/leadership/</p> <p>2022 Definitive Information Statement Section 5.B (page 12)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/2022-March-30.-LTG-2022-Definitive-Information-Statement.pdf</p>	
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		Amended By-Laws, Article IV.2.1 (pages 6 to 7) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/LTG-Amended-By-Laws-2019.pdf	
2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT	<p>The Company's Corporate Secretary is a separate individual from the Compliance Officer, in compliance with its Revised Manual on Corporate Governance. The same Manual 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 VI.C.4 (pages 29 to 30)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>Corporate Organizational Chart & Corporate Structure</p> <p>https://ltg.com.ph/organizational-chart/</p> <p>LTG Executive Officers (Leadership > Executive Officers)</p> <p>Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings</p> <p>https://ltg.com.ph/leadership/</p> <p>2022 Definitive Information Statement Section 5.B (page 12)</p>	

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/2022-March-30.-LTG-2022-Definitive-Information-Statement.pdf	
3. Corporate Secretary is not a member of the Board of Directors.	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 & Corporate Structure</p> <p>https://ltg.com.ph/organizational-chart/</p> <p>LTG Executive Officers (Leadership > Executive Officers)</p> <p>https://ltg.com.ph/leadership/</p> <p>2022 Definitive Information Statement Section 5.B (page 12)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/2022-March-30.-LTG-2022-Definitive-Information-Statement.pdf</p> <p>2022 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board (page 2)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/RESULTS-OF-ASM-AND-OBD-2022.pdf</p>	
4. Corporate Secretary attends training/s on corporate governance.	COMPLIANT	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	

		<p>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 Section VI.C.3 (pages 28 to 29)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>The Corporate Secretary attended the Groupwide Corporate Governance Webinar held last 14 September 2022 with SGV & Co. as the service provider.</p> <p>Her Certificate of Attendance may be viewed at https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/11/LTG-2022-Annual-Corporate-Governance-Seminar-Certificate-of-Attendance.pdf</p>	
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	COMPLIANT	<p>In compliance with good corporate governance and in accordance with Section VI.C.3.2(c) of LTG's Revised Manual on Corporate Governance, it is the responsibility of the Corporate Secretary to distribute to the Directors the Meeting Agenda, together with each meeting's Board materials, at least five (5)</p>	

		<p>working days before the scheduled Board meeting.</p> <p>LTG Revised Manual on Corporate Governance Section VI.C.3.2 (c) (page 28)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	
Recommendation 1.6			
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 04 May 2022.</p> <p>2022 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board (page 2)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/RESULTS-OF-ASM-AND-OBD-2022.pdf</p> <p>Corporate Organizational Chart & Corporate Structure</p> <p>https://ltg.com.ph/organizational-chart/</p> <p>LTG Executive Officers (Leadership > Executive Officers)</p> <p>https://ltg.com.ph/leadership/</p>	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with	COMPLIANT	Citing the Corporation's Revised Manual on Corporate Governance Section VI.C.4, the	

adequate stature and authority in the corporation.		<p>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 Section VI.C.4 (pages 29 to 30)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	
3. Compliance Officer is not a member of the board.	COMPLIANT	<p>The Compliance Officer is not a member of the Board of Directors.</p> <p>The list of the members of the Board may be viewed at the Company's website:</p> <p>https://ltg.com.ph/leadership/</p> <p>2022 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/RESULTS-OF-ASM-AND-OBD-2022.pdf</p>	
4. Compliance Officer attends training/s on corporate governance.	COMPLIANT	In compliance with good corporate governance and in accordance with the Company's Revised Manual on Corporate Governance Section VI.C.4.2(c) which requires the Compliance	

		<p>Officer to attend annual trainings on corporate governance, the Compliance Officer attended the Groupwide Corporate Governance Webinar held last 21 October 2022.</p> <p>Her Certificate of Attendance may be viewed at https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/11/LTG-2022-Annual-Corporate-Governance-Seminar-Certificate-of-Attendance.pdf</p> <p>LTG Revised Manual on Corporate Governance Section VI.C.4.1(c) (page 29)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	
<p>Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.</p>			
<p>Recommendation 2.1</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>They are also required by the Code of Business Conduct and Ethics to act under the standards of professional and ethical conduct -- with integrity, excellence, transparency, trust, independence,</p>	

		<p>loyalty, good corporate citizenry and social responsibility.</p> <p>To ensure that the Directors are given ample time to review meeting materials, these are provided to them by the Corporate Secretary at least five (5) working days before the date of the scheduled board meeting and at least at least thirty (30) days prior to the date of the Annual Stockholders' Meeting.</p> <p>LTG Revised Manual on Corporate Governance Article III.B.4 (page 5)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>In 2022, the Board conducted eighteen (18) online meetings which was regularly attended to by all directors. The list of Board attendance may be viewed in the Company's website at https://ltg.com.ph/attendance-report/.</p> <p>Other references:</p> <p>2022 Definitive Information Statement, Annex A (page 23)</p> <p>Enumerates the resolutions of the Board of Directors during its regular Board meetings</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/2022-March-30.-LTG-2022-Definitive-Information-Statement.pdf</p>	
Recommendation 2.2			

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 bound to periodically review, evaluate, monitor, and guide corporate strategy, major plans of actions, risk policy, annual budgets, and business plans.	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	COMPLIANT	<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.</p> <p>LTG Revised Manual on Corporate Governance Article III.B.2 and Article III.D.2 (pages 5 to 6)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>2022 Definitive Information Statement, Annex A (page 23)</p> <p>Enumerates some strategic decisions of the Board of Directors during its regular Board meetings</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/2022-March-30.-LTG-2022-Definitive-Information-Statement.pdf</p>	
Supplement to Recommendation 2.2			

<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> <p>"1. To increase stockholder values through long-term growth in its major business groups.</p> <p>2. To continuously improve the value of its products and services and to provide consumers with more and better choices.</p> <p>3. To build the largest, most effective distribution network and widest customer reach in the Philippines.</p> <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 02 February 2022 and 14 February 2023.</p>	
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		<p>LTG Website (About > Our Company > Mission and Vision)</p> <p>https://ltg.com.ph/vision-and-mission/</p> <p>2022 LTG Annual Report</p> <p>https://ltg.com.ph/annual-reports/</p> <p>2022 Sustainability Report (Stand-alone)</p> <p>https://ltg.com.ph/sustainability-reports/</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 concurrent 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 credentials of the Directors showing their active directorships in various LTG subsidiaries, some affiliated companies and 3rd party public companies may be viewed at the Company's website at https://ltg.com.ph/leadership/.</p> <p>2022 LTG Annual Report https://ltg.com.ph/annual-reports/</p> <p>LTG Organizational Chart https://ltg.com.ph/organizational-chart/</p> <p>LTG Board Committees</p> <p>General Summary of LTG's Executive Committee, Nomination and Compensation Committee, Corporate Governance Committee, Audit Committee and Risk Management Committee https://ltg.com.ph/board-committees/</p>	
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		<p>LTG Nomination and Compensation Committee Charter</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf</p> <p>LTG Audit Committee Charter</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-Audit-Committee-Charter.pdf</p> <p>LTG Risk Management Committee Charter</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-Risk-Management-Committee-Charter.pdf</p> <p>LTG Executive Committee Charter</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Executive-Committee-Charter.pdf</p> <p>LTG Corporate Governance Committee Charter</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Corporate-Governance-Committee-Charter.pdf</p> <p>Corporate Governance Report</p> <p>https://ltg.com.ph/annual-reports/</p> <p>LTG Revised Manual on Corporate Governance Article IV (pages 16 to 25)</p>	
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		<p>Board Committees</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	
Recommendation 2.3			
<p>1. Board is headed by a competent and qualified Chairperson.</p>	<p>COMPLIANT</p>	<p>The Company's Chairman, Dr. Lucio C. Tan, manages and provides leadership of LTG's Board of Directors.</p> <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>The Chairman's academic qualifications, industry knowledge, professional experience, expertise and relevant trainings</p> <p>https://ltg.com.ph/leadership/</p> <p>2022 LTG Annual Report</p> <p>https://ltg.com.ph/annual-reports/</p> <p>LTG Revised Manual on Corporate Governance Article III.M (page 15 to 16)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	

		<p>Chairman of the Board</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>2022 Definitive Information Statement, Item 5.a (page 5)</p> <p>Directors</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/2022-March-30.-LTG-2022-Definitive-Information-Statement.pdf</p>	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	<p>In accordance with the Company's By-Laws, the Board of Directors shall have the responsibility of electing all the officers.</p> <p>Moreover, based on the Company's Manual on Good Corporate Governance, the present members of the Board shall have the duty and responsibility to implement a process for the selection of executive officers to ensure an effective mix of competent Directors and Officers.</p> <p>Amended By-Laws, Article IV, Section 2(1) (pages 6 to 7)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/LTG-Amended-By-Laws-2019.pdf</p>	

		<p>LTG Revised Manual on Corporate Governance Article III.D (1) (page 6)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	
<p>2. Board adopts a policy on the retirement for directors and key officers.</p>	COMPLIANT	<p>The Directors are chosen and nominated by the Nomination and Compensation Committee taking into consideration the several factors laid down in the Company's Board Diversity Policy. These include but is not limited to age, gender, race/ethnicity, cultural and educational background, skills/professional background, business experience, competence, knowledge, possible contribution to the board, and expertise in the various fields involving finance, taxation, corporate governance, among others. Since age is one of the factors for their nomination/re-nomination, there is no more need to set a retirement age for Directors.</p> <p>LTG Revised Manual on Corporate Governance Article III.G (page 9)</p> <p>Board Diversity Policy</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>Nevertheless, as in most of the Company's subsidiaries, 65 years is set as the retirement age of key executives. Their tenure may be extended</p>	

		<p>when approved by the Board and the Stockholders.</p> <p>For this matter, the Board exercises its oversight functions in appointing key officers to form part of Management. Article III.D (1) of the Company's Revised Corporate Governance Manual provides that the Board shall be responsible in implementing a process for the selection of Board members (including Non-Executive Directors) and Executive Officers to ensure an effective mix of competent Directors and Officers.</p> <p>LTG Revised Manual on Corporate Governance Article III.D (1) (pages 6)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	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 and 3.6 of the Company's Revised Corporate Governance Manual provides the Nomination and Compensation Committee's authority to establish a formal and transparent procedure for fixing the remuneration packages of the individual Directors; and to designate such amount of remuneration as may be sufficiently</p>	

		<p>attractive to engage and retain Directors and officers who are needed to run the Company successfully. In doing so, Directors are prohibited from being involved in discussions concerning his own remuneration.</p> <p>On the other hand, the respective Nomination and Compensation Committee and Corporate Governance Committee of the subsidiaries 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>For the Company, its Directors 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>LTG Revised Manual on Corporate Governance Article IV.B (pages 17 to 18)</p>	
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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 states that the Nomination and Compensation Committee shall be responsible in re-nominating Directors, including Independent Directors, if applicable. To do this, the Committee should consider, as basis, a Director's contribution and performance that allows it to consider the contribution and performance (e.g. attendance, preparedness, participation, and candor). LTG Revised Manual on Corporate Governance Article IV.B 3.3 (pages 17)	

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf LTG Nomination and Compensation Committee Charter https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf Nomination and Compensation Committee https://ltg.com.ph/board-committees/ 2022 LTG Annual Report Corporate Governance Report > Board Committees > Nomination and Compensation Committee https://ltg.com.ph/annual-reports/	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT	Article IV B. 3.4 of the Company's Revised Corporate Governance Manual provides the while the Nomination and Compensation Committee has authority to establish a formal and transparent procedure for fixing the remuneration packages of the individual Directors, no Directors shall be involved in discussions concerning his own remuneration. This is in accordance with Article 3 section 6 of said Committee's Charter which likewise states that no Director shall participate in decisions on his or her remuneration.	

		<p>LTG Revised Manual on Corporate Governance Article IV.B 3.4 (page 17)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>LTG Nomination and Compensation Committee Charter</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf</p> <p>Nomination and Compensation Committee</p> <p>https://ltg.com.ph/board-committees/</p> <p>2022 LTG Annual Report</p> <p>Corporate Governance Report > Board Committees > Nomination and Compensation Committee</p> <p>https://ltg.com.ph/annual-reports/</p>	
Optional: Recommendation 2.5			
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>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>LTG Nomination and Compensation Committee Charter Article 4.1.6 (page 4)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf</p> <p>Nomination and Compensation Committee</p> <p>https://ltg.com.ph/board-committees/</p> <p>2022 LTG Annual Report</p> <p>Corporate Governance Report > Board Committees > Nomination and Compensation Committee</p> <p>https://ltg.com.ph/annual-reports/</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</p>	

		<p>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 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 3.6 (page 17)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>LTG Nomination and Compensation Committee Charter 1 (page 2)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf</p> <p>Nomination and Compensation Committee</p> <p>https://ltg.com.ph/board-committees/</p>	
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		<p>2022 LTG Annual Report</p> <p>Corporate Governance Report > Board Committees > Nomination and Compensation Committee and Corporate Governance Report > Board Remuneration: Compensation of Directors and Executive Officers</p> <p>https://ltg.com.ph/annual-reports/</p> <p>2022 LTG Annual Financial Report (Form 17-A) Part III.10</p> <p>Control and Compensation Information > Executive Compensation</p> <p>https://ltg.com.ph/financial-reports/</p>	
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	COMPLIANT	<p>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. In accordance with its Charter and the Company's Revised Corporate Governance Manual, they must 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, as well as nominate directors, considering the director's contribution and performance (e.g. attendance, preparedness, participation and candor).</p>	

		<p>In doing so, they have authority to utilize the services of professional search firms or other external sources to search for qualified candidates to the Board.</p> <p>The Committee's duties and responsibilities must be read together with the Company's Board Diversity Policy which enumerates the several factors to be considered in designing the Board's composition. These include, but is not limited to, age, gender, race/ethnicity, cultural and educational background, skills/professional background, business experience, competence, knowledge, possible contribution to the board, and expertise in the various fields involving finance, taxation, corporate governance, among others.</p> <p>Moreover, 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 Article IV.B (pages 17 to 18)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>LTG Nomination and Compensation Committee Charter Article 4 to 5 (pages 3 to 8)</p>	
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2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT	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. This policy must be read together with the Company's Board Diversity Policy, likewise found in the said Manual. LTG Revised Manual on Corporate Governance Article III.G (page 9) and Article IV.B.3 (page 17 to 18) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf	
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	COMPLIANT	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>LTG Nomination and Compensation Committee Charter Article 4 to 5 (pages 3 to 8)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf</p>	
<p>4. Board nomination and election policy includes how the board shortlists candidates.</p>	<p>COMPLIANT</p>	<p>The Nomination and Compensation Committee Charter provides that of the duties and responsibilities of the said 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 doing so, the attendance, preparedness, participation, and candor of the person to be nominated, aside from the factors provided under the Company's Board Diversity Policy, should be considered. The nomination of Directors shall be done 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>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf</p> <p>LTG Revised Manual on Corporate Governance Article III.G (page 9)</p>	

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf	
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	<p>Aside from considering the factors enumerated under the Board Diversity Policy, the Committee likewise evaluates the qualifications of Directors to verify if he falls under the qualifications and none of the disqualifications laid down in the Manual on Corporate Governance and the Committee Charter.</p> <p>In 2022, 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 III.G (page 9) and Article IV.B (pages 17 to 18)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>LTG Nomination and Compensation Committee Charter Article 4 to 5 (pages 3 to 8)</p>	

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf	
Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.	COMPLIANT	<p>Article IV.B.3.2.1 of the Company's Revised Corporate Governance Manual allows the Committee to 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>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	The Board has created a Related Party Transactions (RPT) Policy which authorizes its 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	Nevertheless, the Company's RPT Policy remain applicable wherein Article IV.2 to 9 stipulate that the Risk Management 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	

		<p>and endorse RPTs to the Board for its approval/notation.</p> <p>The shareholders are allowed to approve, disapprove or abstain from RPTs 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>https://ltg.com.ph/related-party-transactions-policy/</p> <p>LTG Board Committees</p> <p>General Summary of LTG's Executive Committee, Nomination and Compensation Committee, Corporate Governance Committee, Audit Committee and Risk Management Committee</p> <p>https://ltg.com.ph/board-committees/</p> <p>LTG Risk Management Committee Charter Article 5B (pages 4 to 5)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-Risk-Management-Committee-Charter.pdf</p>	
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		<p>LTG Revised Manual on Corporate Governance Article IV.D.3.3 (pages 23 to 24)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	
<p>3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.</p>	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</p> <p>Article I Policy Statement (page 2)</p> <p>Article IV Board and Senior Management Oversight (pages 5 to 8)</p> <p>https://ltg.com.ph/related-party-transactions-policy/</p> <p>PSE Disclosure: Creation of Risk Management Committee</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/10/2021-Oct-12.-Lead-ID.-Creation-Risk-Mngt-Committee.pdf</p>	

		<p>LTG Risk Management Committee Charter Article 5B(pages 4 to 5)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-Risk-Management-Committee-Charter.pdf</p> <p>LTG Revised Manual on Corporate Governance Article IV.D.3.3 (pages 23 to 24)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	
Supplement to Recommendations 2.7			
<p>1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <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 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> <p>https://ltg.com.ph/related-party-transactions-policy/</p> <p>PSE Disclosure: Creation of Risk Management Committee</p>	

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/10/2021-Oct-12.-Lead-ID.-Creation-Risk-Mngt-Committee.pdf LTG Risk Management Committee Charter Article 5B(pages 4 to 5) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-Risk-Management-Committee-Charter.pdf LTG Revised Manual on Corporate Governance Article IV.D.3.3 (pages 23 to 24) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf	
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.	COMPLIANT	<p>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.</p> <p>In 2022, there were no related party transactions which required the approval of the shareholders.</p> <p>LTG Related Party Transactions Policy https://ltg.com.ph/related-party-transactions-policy/</p> <p>LTG Risk Management Committee Charter Article 5B(pages 4 to 5)</p>	

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-Risk-Management-Committee-Charter.pdf LTG Revised Manual on Corporate Governance Article IV.D.3.3 (pages 23 to 24) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf	
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	<p>Under Article III.M.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 competent Directors and Officers (Article III.D.1)</p> <p>LTG Revised Manual on Corporate Governance Articles III.M.3-4 (page 16) and III.D.1 (page 6)</p> https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf	

		Amended By-Laws (Articles IX to XV) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/LTG-Amended-By-Laws-2019.pdf	
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).	COMPLIANT	Under the Company's Revised Manual on Corporate Governance, the Board shall effectively monitor Management's performance periodically. LTG Revised Manual on Corporate Governance Article III.B.2 (page 5) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf	
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT	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, the latter 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 26), III.B.2 (page 5) and III.D.3 and 9 (pages 6 to 7)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</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 Committee to review, assess and evaluate the work and performance of the internal audit department for the entire conglomerate.</p> <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 Committee Charter Article 4.1 (4 and 5) (page 4)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-Audit-Committee-Charter.pdf</p>	
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	COMPLIANT	The Company's Revised Manual on Corporate Governance states that 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.	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	COMPLIANT	<p>LTG Revised Manual on Corporate Governance Article III.D.4 (page 6)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>The Company has established its own internal audit activity which monitors, assesses and evaluates the operational efficiency of the Company's internal controls. It also maintains its own Audit Committee to review, assess and evaluate the work and performance of the internal audit department for the entire conglomerate.</p> <p>Most importantly, 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 Internal Audit Charter https://ltg.com.ph/internal-audit-charter/</p>	
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM)	COMPLIANT	The Board of Directors exercises an oversight responsibility which includes, among others,	

framework to effectively identify, monitor, assess and manage key business risks.		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 enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	COMPLIANT	<p>The Risk Management Committee assists the Board by ensuring the appropriate and effective management of the Company. It exercises oversight responsibilities with respect the management of financial and business risks and likewise operational, legal, and other risks and shall primarily be responsible for monitoring the statutory requirements of the Corporation. Regular Risk Management Committee meetings were conducted in 2022 numbering 6 times, with the representations of the respective risk management teams of the subsidiaries to monitor the identified top risks and the progress of the mitigating action plans to control and manage the risks.</p> <p>Attendance Report of the Risk Management Committee</p> <p>https://ltg.com.ph/board-committees/</p> <p>LTG 's Enterprise Risk Management Policy</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2018-Sep-4.-LTG-Enterprise-Risk-Management-System.pdf</p> <p>LTG Risk Management Committee Charter Article 5.A (pages 3 to 4)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-Risk-Management-Committee-Charter.pdf</p>	

Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	COMPLIANT	The Board's duties and responsibilities are enumerated under Article III of the Company's Revised Manual on Corporate Governance. All Company policies and committee charters are available for viewing and downloading from the Company's website at https://ltg.com.ph/board-committees/ .	
2. Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT	LTG Revised Manual on Corporate Governance Article III (pages 5 to 16)	
3. Board Charter is publicly available and posted on the company's website.	COMPLIANT	https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf	
Additional Recommendation to Principle			
1. Board has a clear insider trading policy.	COMPLIANT	The Company's Code of Business Conduct and Ethics provides a provision for Insider Trading, Trading Blackouts and Fraudulent Practices which covers directors, officers, advisers, consultants and employees who may have knowledge of material facts regarding matters which may affect the Company. These are strictly observed and implemented by the Company. Item 3.4 of the said Code provides the blackout periods to be observed, viz: (1) for quarterly reports, two (2) weeks before disclosure; and (2) for the year-end financials, one month or thirty (30) days before disclosure.	

		<p>For implementation, the Office of the Corporate Secretary sends an email reminder to all covered persons to inform them of the start and end of the blackout period and that they are prohibited from trading on the Company's shares within the period specified. This reminder is likewise done during Board meetings, when applicable.</p> <p>LTG Code of Business Conduct & Ethics Article 3.5 (pages 3 to 4)</p> <p>https://ltg.com.ph/code-of-business-conduct-ethics/</p>	
Optional: Principle 2			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.	COMPLIANT	<p>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> <p>Article IV Board and Senior Management Oversight (pages 5 to 8)</p> <p>https://ltg.com.ph/related-party-transactions-policy/</p>	
2. Company discloses the types of decision requiring board of directors' approval.	COMPLIANT	<p>The Company immediately discloses material Board approvals through the Philippine Stock Exchange ("PSE") website. These disclosures are thereafter uploaded in the Company website.</p>	

		<p>LTG Material Transactions (Form 17-C)</p> <p>https://ltg.com.ph/material-information-and-transactions/</p> <p>LTG Page in PSE Electronic Disclosure Registry</p> <p>https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=12</p>	
<p>Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board’s functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.</p>			
<p>Recommendation 3.1</p>			
<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>On the other hand, the Company’s website provides a general summary of LTG’s Executive Committee, Nomination and Compensation Committee, Corporate Governance Committee, and Audit Committee and Risk Management Committee.</p> <p>https://ltg.com.ph/board-committees/</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>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf</p> <p>Corporate Governance Committee Charter</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Corporate-Governance-Committee-Charter.pdf</p> <p>Executive Committee Charter</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Executive-Committee-Charter.pdf</p> <p>Audit Committee Charter</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-Audit-Committee-Charter.pdf</p> <p>Risk Management Committee Charter</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-Risk-Management-Committee-Charter.pdf</p> <p>LTG Revised Manual on Corporate Governance Article IV (pages 16 to 26)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>Corporate Organizational Chart & Corporate Structure</p>	
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		https://ltg.com.ph/organizational-chart/ 2022 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/RESULTS-OF-ASM-AND-OBD-2022.pdf 2022 LTG Annual Report https://ltg.com.ph/annual-reports/	
Recommendation 3.2			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	COMPLIANT	<p>The Board approved last 12 October 2021, the separation of the Audit Committee from the Risk Management Committee.</p> <p>Said 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>The Audit Committee shall assist the Board in fulfilling its oversight responsibilities and shall review (i) the financial reporting process, (ii) the system of internal control, (iii) the audit process, and (iv) the Corporation's process for monitoring compliance with laws and regulations and its own code of business conduct.</p> <p>As part of its Audit Oversight Functions, the Committee shall recommend to the Board the appointment, dismissal, replacement and re-</p>	

		<p>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>Corporate Organizational Chart & Corporate Structure</p> <p>https://ltg.com.ph/organizational-chart/</p> <p>Audit Committee Charter Articles 1 (Page 2) and 4, Section 2.1 (Page 4)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-Audit-Committee-Charter.pdf</p> <p>LTG Revised Manual on Corporate Governance Article IV.C.2.1 (page 18)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>2022 LTG Annual Report</p> <p>https://ltg.com.ph/annual-reports/</p>	
<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	COMPLIANT	<p>The Audit 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 Committee)</p> <p>https://ltg.com.ph/board-committees/</p>	

		<p>Audit Committee Charter Article 2 Section 1 (page 2)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-Audit-Committee-Charter.pdf</p> <p>LTG Revised Manual on Corporate Governance Article IV.C.1.1 (page 18)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>Certifications of LTG Independent Directors</p> <p>https://ltg.com.ph/certification-of-independent-directors/</p> <p>Respective qualifications of Board/Committee members on LTG website</p> <p>https://ltg.com.ph/leadership/</p>	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	COMPLIANT	<p>The Audit 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>Their respective qualifications may be found in the LTG website</p> <p>https://ltg.com.ph/leadership/</p>	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	COMPLIANT	<p>The Audit Committee Chairman is Johnip G. Cua. He is not the Chairman of the Board or of any other committee.</p>	

		<p>A summary of the Committee Membership, and the respective Committee Chairman, may be viewed in the Company website</p> <p>https://ltg.com.ph/board-committees/</p>	
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	COMPLIANT	<p>As provided under its charter, the Audit 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 disclosed in the Corporation's annual report.</p> <p>Audit Committee Charter Article 4 Section 2.9 (pages 5 to 6)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-Audit-Committee-Charter.pdf</p> <p>LTG Revised Manual on Corporate Governance Article IV.C.3.1 (pages 18 to 19)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	

<p>2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.</p>	<p>COMPLIANT</p>	<p>Both the Company's Audit Committee Charter and Revised Corporate Governance Manual require the Audit 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>Last 08 March 2022, the Audit Committee met with the external audit team without anyone from management present.</p> <p>Audit Committee Charter Article 4 Section 2.6 (page 5)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-Audit-Committee-Charter.pdf</p> <p>LTG Revised Manual on Corporate Governance Article IV.C.3.1.d (page 19)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	
<p>Optional: Recommendation 3.2</p>			
<p>1. Audit Committee meet at least four times during the year.</p>	<p>COMPLIANT</p>	<p>Prior Board approval allowing the separation of the Audit Committee from the Risk Management Committee, the Audit Committee was tasked to tackle on Audit matters. In 2022, the Committee held a total of six (6) meetings on the following dates:</p>	

		<p>02 February 2022</p> <p>08 March 2022</p> <p>15 March 2022</p> <p>06 May 2022</p> <p>09 August 2022</p> <p>08 November 2022</p> <p>Audit Committee Charter Article 3 Section 1 (page 3)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-Audit-Committee-Charter.pdf</p> <p>LTG Revised Manual on Corporate Governance Article IV.C.2.2 (page 18)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	
2. Audit Committee approves the appointment and removal of the internal auditor.	COMPLIANT	<p>Under the Audit Committee Charter, the Committee recommends, for approval of the Board, the appointment, dismissal and annual remuneration of the Chief Audit Executive (CAE).</p> <p>They must regularly review and evaluate work performed by the CAE and Internal Audit function.</p> <p>Audit Committee Charter Article 4 Section 2.15 and 19 (page 6)</p>	

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-Audit-Committee-Charter.pdf LTG Revised Manual on Corporate Governance Article IV.C.3.1 (pages 18 to 19) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf	
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	COMPLIANT	Part IV (F) 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. The Committee has nominated Directors who are of renowned expertise in their respective fields. LTG Board Committees (Corporate Governance Committee) https://ltg.com.ph/board-committees/ Respective qualifications of Corporate Governance committee members on LTG website https://ltg.com.ph/leadership/	

		<p>Corporate Organizational Chart & Corporate Structure</p> <p>https://ltg.com.ph/organizational-chart/</p> <p>Corporate Governance Committee Charter</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Corporate-Governance-Committee-Charter.pdf</p> <p>LTG Revised Manual on Corporate Governance Article IV.F (page 25)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	
<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	COMPLIANT	<p>The Corporate Governance Committee is composed of six (6) members, three (3) of whom, including its Chairman, are Independent Directors. They are: Ms. Florencia G. Tarriela, Chairman, and Mr. Michael G. Tan, Mr. Lucio C. Tan III, Mr. Johnip G. Cua, Ms. Mary G. Ng, and Ms. Juanita T. Tan Lee.</p> <p>LTG Board Committees (Corporate Governance Committee)</p> <p>https://ltg.com.ph/board-committees/</p> <p>2022 LTG Annual Report</p> <p>https://ltg.com.ph/annual-reports/</p> <p>Certifications of LTG Independent Directors</p>	

		<p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/2022-March-30.-LTG-2022-Certificates-of-Independent-Directors.pdf</p> <p>Corporate Governance Committee Charter Article 2.1 (page 1)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Corporate-Governance-Committee-Charter.pdf</p> <p>LTG Revised Manual on Corporate Governance Article IV.E.1 (page 24)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>2022 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board (page 2)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/RESULTS-OF-ASM-AND-OBD-2022.pdf</p>	
3. Chairman of the Corporate Governance Committee is an independent director.	COMPLIANT	<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>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/2022-March-30.-LTG-2022-Certificates-of-Independent-Directors.pdf</p>	

		<p>LTG Board Committees (Corporate Governance Committee)</p> <p>https://ltg.com.ph/board-committees/</p> <p>2022 LTG Annual Report</p> <p>https://ltg.com.ph/annual-reports/</p> <p>2022 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board (page 2)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/RESULTS-OF-ASM-AND-OB-2022.pdf</p>	
Optional: Recommendation 3.3			
1. Corporate Governance Committee meet at least twice during the year.	NON-COMPLIANT	<p>Corporate Governance Committee Charter Article 4 Section 1 (page 2)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Corporate-Governance-Committee-Charter.pdf</p> <p>LTG Revised Manual on Corporate Governance Article IV.E.2.1 (page 24)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>2022 LTG Annual Report</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LT-2021-Annual-Report.pdf</p>	For the year 2022, the Corporate Governance Committee met once on 14 February 2022 to review and discuss the Integrated Annual Corporate Governance Report (I-ACGR), including the amendments made to the Company's Revised Corporate Governance Manual.

Recommendation 3.4

1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	COMPLIANT	<p>The Company's Risk Management Committee is responsible for the oversight of the Company's Enterprise Risk Management system to ensure its functionality and effectiveness. The Committee is composed of 5 members with Ms. Mary G. Ng as Chairman, and Mr. Johnip G. Cua, Ms. Juanita T. Tan Lee, Ms. Florencia G. Tarriela, and Mr. Wilfrido E. Sanchez as its members. Four (4) members are Independent Directors, including the Chairman.</p> <p>LTG Board Committees</p> <p>https://ltg.com.ph/board-committees/</p> <p>Risk Management Committee Charter</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-Risk-Management-Committee-Charter.pdf</p> <p>LTG Revised Manual on Corporate Governance Article IV.D.3.2 (pages 22 to 23)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>2022 LTG Annual Report</p> <p>https://ltg.com.ph/annual-reports/</p>	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	COMPLIANT	<p>The Company's Risk Management Committee is composed of five (5) members with four (4) Independent Directors. They are, Ms. Mary G. Ng, Chairman, Mr. Johnip G. Cua, Mr. Wilfrido</p>	

		<p>E. Sanchez, Ms. Juanita T. Tan Lee, and Ms. Florencia G. Tarriela, as members.</p> <p>Risk Management Committee Charter Article 2 Section 1 (page 1)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-Risk-Management-Committee-Charter.pdf</p> <p>LTG Revised Manual on Corporate Governance Article IV.D.1.1 (page 21)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>Certifications of LTG Independent Directors</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/2022-March-30.-LTG-2022-Certificates-of-Independent-Directors.pdf</p> <p>Respective qualifications the Committee members on LTG website</p> <p>https://ltg.com.ph/leadership/</p>	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	COMPLIANT	<p>The Company's Risk Oversight functions are lodged with its Risk Management Committee. The Chairman thereof is Ms. Mary G. Ng. She is not the Chairman of the Board or of any other committee.</p> <p>LTG Revised Manual on Corporate Governance Article IV.D.1.3 (page 22)</p>	

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf The qualifications of Ms. Mary G. Ng may be viewed at https://ltg.com.ph/leadership/ Risk Management Committee Charter Article 2 Section 3 (page 1) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-Risk-Management-Committee-Charter.pdf	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	COMPLIANT	All members of the Risk Management Committee have been in the industry for more than a decade which has allowed them to acquire sufficient experience on risk and risk management. The academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of the Committee members may be viewed in the Company website. https://ltg.com.ph/leadership/ PSE Disclosure: Creation of Risk Management Committee https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/10/2021-Oct-12.-Lead-ID.-Creation-Risk-Mngt-Committee.pdf	
Recommendation 3.5			

<p>1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.</p>	<p>COMPLIANT</p>	<p>The Board has created a Related Party Transactions (“RPT”) Policy which authorizes the Risk Management Committee to exercise oversight on RPTs.</p> <p>Under Article IV.2 of the RPT Policy, the 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 Risk Management Committee is further responsible to review and endorse RPTs to the Board for its approval/notation.</p> <p>Risk Management Committee Charter Article 5.B (pages 4 to 5)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-Risk-Management-Committee-Charter.pdf</p> <p>LTG Revised Manual on Corporate Governance Article IV.D.3.3 (pages 23 to 24)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>PSE Disclosure: Creation of Risk Management Committee</p>	
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		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/10/2021-Oct-12.-Lead-ID.-Creation-Risk-Mngt-Committee.pdf	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	COMPLIANT	<p>The functions of the recommended RPT Committee are lodged with the Risk Management Committee. Said Committee is composed of five (5) members, four (4) of whom are independent, including its Chairman.</p> <p>PSE Disclosure: Creation of Risk Management Committee</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/10/2021-Oct-12.-Lead-ID.-Creation-Risk-Mngt-Committee.pdf</p> <p>Risk Management Committee Charter Article 2 Section 1 and 3 (page 1)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-Risk-Management-Committee-Charter.pdf</p> <p>LTG Revised Manual on Corporate Governance Article IV.D.1.1 (page 21)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>Certifications of LTG Independent Directors</p> <p>https://ltg.com.ph/certification-of-independent-directors/</p>	

		Qualifications of the Risk Management Committee members on LTG website https://ltg.com.ph/leadership/	
Recommendation 3.6			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	COMPLIANT	<p>Copies of the Company's different Committee Charters may be viewed from the Company's website at https://ltg.com.ph/board-committees/</p> <p>Nomination and Compensation Committee Charter https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf</p> <p>Corporate Governance Committee Charter https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Corporate-Governance-Committee-Charter.pdf</p> <p>Executive Committee Charter https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Executive-Committee-Charter.pdf</p> <p>Audit Committee Charter https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-Audit-Committee-Charter.pdf</p> <p>Risk Management Committee Charter</p>	

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-Risk-Management-Committee-Charter.pdf	
2. Committee Charters provide standards for evaluating the performance of the Committees.	COMPLIANT	Copies of the Company's different Committee Charters may be viewed from the Company's website at https://ltg.com.ph/board-committees/	
3. Committee Charters were fully disclosed on the company's website.	COMPLIANT	<p>Nomination and Compensation Committee Charter</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf</p> <p>Corporate Governance Committee Charter</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Corporate-Governance-Committee-Charter.pdf</p> <p>Executive Committee Charter</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Executive-Committee-Charter.pdf</p> <p>Audit Committee Charter</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-Audit-Committee-Charter.pdf</p> <p>Risk Management Committee Charter</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-Risk-Management-Committee-Charter.pdf</p>	

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

Recommendation 4.1

<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 2022, the Board conducted eighteen (18) 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.L of the Revised Manual on Corporate Governance. Attendance via teleconference is likewise allowed.</p> <p>LTG Revised Manual on Corporate Governance Article III.L (page 15)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>2022 LTG Annual Report</p> <p>https://ltg.com.ph/annual-reports/</p>	
<p>2. The directors review meeting materials for all Board and Committee meetings.</p>	<p>COMPLIANT</p>	<p>As enumerated under Article VI.C.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) working days before the scheduled meeting, to allow them the opportunity to review the materials and be able to seek the necessary clarifications during the</p>	

		<p>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 (3.2) (C) (page 28) and III.D.14 (pages 7 to 8)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	COMPLIANT	<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 04 May 2022</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-ASM-MINUTES-202248.pdf</p>	
Recommendation 4.2			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's	COMPLIANT	<p>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,</p>	

proposals/views, and oversee the long-term strategy of the company.		are provided on the company website and annual report. 2022 LTG Annual Report https://ltg.com.ph/annual-reports/ Respective qualifications of each Board member on LTG website https://ltg.com.ph/leadership/	
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	COMPLIANT	As part of good corporate governance, the Company's directors must notify the Board, as soon as practicable, directorships in another company they wish to accept. In 2022, no instance arose wherein the director was required to notify the Board since they do not have any intended directorship in another Company.	
Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	COMPLIANT	The Company does not have executive directors serving more than two (2) boards of listed companies outside the affiliated corporate group of LTG. 2022 LTG Annual Report https://ltg.com.ph/annual-reports/ Respective qualifications of each Board member on LTG website	

		https://ltg.com.ph/leadership/	
2. Company schedules board of directors' meetings before the start of the financial year.	COMPLIANT	<p>The Company schedules Board meetings every second (2nd) Tuesday of the month. The schedule may be subject to change as requested by, or depending on the availability of, the Directors.</p> <p>The schedule of meetings for the year 2022 were sent to the Directors of the Board via email as early as 20 December 2021.</p>	
3. Board of directors meet at least six times during the year.	COMPLIANT	<p>The Board conducted eighteen (18) meetings for the year 2022.</p> <p>Attendance of each director is disclosed in Company Annual Report and in the Company website.</p> <p>LTG Board Attendance Report</p> <p>https://ltg.com.ph/attendance-report/</p> <p>2022 LTG Annual Report</p> <p>https://ltg.com.ph/annual-reports/</p>	
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, save for some meetings when the absence of a director is inevitable. Hence, all board decisions are based on the approval of all or at least 2/3 of the members of the Board.	
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs			
Recommendation 5.1			

<p>1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.</p>	<p>COMPLIANT</p>	<p>In accordance with the requirement under Article III.F 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</p> <p>https://ltg.com.ph/leadership/</p> <p>2022 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board (page 1)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/RESULTS-OF-ASM-AND-OBD-2022.pdf</p> <p>LTG Revised Manual on Corporate Governance Article III.F (pages 8 to 9)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	
<p>Recommendation 5.2</p>			
<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.K 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 Article III.K (pages 12 to 15)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>Amended By-Laws, Article II.3 to 6 (pages 2 to 5)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/LTG-Amended-By-Laws-2019.pdf</p>	
Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	COMPLIANT	<p>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>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	COMPLIANT	<p>The Company's Revised Corporate Governance Manual Article III.K.2.2.1 provides that an Independent Director shall serve for a maximum cumulative term of nine (9) years reckoned from the year 2012.</p>	

		<p>However, by way of exception, an Independent Director who has served for more than nine (9) years may be re-nominated as such if:</p> <p>(i) The Nomination Committee endorses such nomination on meritorious grounds; and</p> <p>(ii) Approval of the shareholders is obtained during the Annual Shareholders' Meeting.</p> <p>For the year 2022, the Company's Independent Directors are Ms. Florencia G. Tarriela, Mr. Johnip G. Cua, Mr. Wilfrido E. Sanchez, and Ms. Mary G. Ng.</p> <p>Despite having served for more than the term limit, the re-nomination of Ms. Tarriela and Mr. Sanchez were made in accordance with the above-cited provision. The Nomination and Compensation Committee endorsed their re-nomination based on meritorious grounds; and the stockholders approved of the same during the Annual Stockholders' Meeting held last 04 May 2022.</p> <p>LTG Revised Manual on Corporate Governance Article III.K.2 (pages 13 to 14)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>2022 LTG Annual Report</p> <p>https://ltg.com.ph/annual-reports/</p>	
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		Respective qualifications of Board members on LTG website https://ltg.com.ph/leadership/	
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 served the maximum term shall be perpetually barred from re-election as such in the Company.</p> <p>However, by way of exception, an Independent Director who has served for more than nine (9) years may be re-nominated as such if:</p> <p>(i) The Nomination Committee endorses such nomination on meritorious grounds; and</p> <p>(ii) Approval of the shareholders is obtained during the Annual Shareholders' Meeting.</p> <p>For the year 2022, the Company's Independent Directors are Ms. Florencia G. Tarriela, who was first elected 09 August 2012 (10 years); Mr. Johnip G. Cua on 08 May 2018 (4 years); Mr. Wilfrido E. Sanchez on 31 July 2012 (10 years) and Ms. Mary G. Ng on 07 May 2019 (3 years).</p> <p>Despite having served for more than the term limit, the re-nomination of Ms. Tarriela and Mr.</p>	

		<p>Sanchez were made in accordance with the above-cited provision. The Nomination and Compensation Committee endorsed their re-nomination based on meritorious grounds; and the stockholders approved of the same during the Annual Stockholders' Meeting held last 04 May 2022.</p> <p>LTG Revised Manual on Corporate Governance Article III.K.2 (pages 13 to14)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>2022 LTG Annual Report</p> <p>https://ltg.com.ph/annual-reports/</p> <p>Respective qualifications of Board members on LTG website</p> <p>https://ltg.com.ph/leadership/</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>For the year 2022, the Company's Independent Directors are Ms. Florencia G. Tarriela, who was first elected 09 August 2012 (10 years); Mr. Johnip G. Cua on 08 May 2018 (4 years); Mr. Wilfrido E. Sanchez on 31 July 2012 (10 years) and Ms. Mary G. Ng on 07 May 2019 (3 years).</p> <p>Despite having served for more than the term limit, the re-nomination of Ms. Tarriela and Mr. Sanchez were made in accordance with Article III.K.2 of the Company's Revised Manual on Corporate Governance. The Nomination and Compensation Committee endorsed their re-</p>	

		<p>nomination based on meritorious grounds; and the stockholders approved of the same during the Annual Stockholders' Meeting held last 05 May 2021.</p> <p>LTG Revised Manual on Corporate Governance Article III.K.2 (pages 13 to 14)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>2022 LTG Annual Report</p> <p>https://ltg.com.ph/annual-reports/</p> <p>Respective qualifications of Board members on LTG website</p> <p>https://ltg.com.ph/leadership/</p>	
Recommendation 5.4			
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 in the Company's Revised Manual on Corporate Governance despite these positions being held by one and the same person. Dr. Lucio C. Tan.</p> <p>Moreover, it is likewise stated therein that the Chairman shall concurrently sit as CEO of the Company. He shall not form part of Management and shall lead the development of the Company's vision and strategy, as well as set the tone and position the brand image of the Company.</p> <p>On the other hand, the Company's By-Laws state that the Chairman, who shall concurrently sit as</p>

			<p>CEO, shall be responsible for leading the development and execution of the Company's long-term strategy with a view to creating shareholder value.</p> <p>LTG Revised Manual on Corporate Governance Article III.M (page 15 to 16)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	COMPLIANT	<p>Despite both positions being held by one and the same person, the functions of Chairman and CEO are clearly defined and specified.</p> <p>As Chairman, Dr. Tan shall manage and provide leadership of the Board of Directors. (Article III.M.1, Revised Manual on Corporate Governance). On the other hand, 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.M.4)</p> <p>LTG Revised Manual on Corporate Governance Article III.M.1 and 4 (page 15 to 16)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	
Recommendation 5.5			

<p>1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.</p>	<p>COMPLIANT</p>	<p>In accordance with Article III.K.4 of the Company's Revised Corporate Governance Manual, the Company has appointed Mr. Wilfrido E. Sanchez as its Lead Independent Director.</p> <p>LTG Revised Manual on Corporate Governance Article III.K.4 (page 15)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>PSE Disclosure: Appointment of Mr. Wilfrido E. Sanchez as Lead Independent Director</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/10/2021-Oct-12.-Lead-ID.-Creation-Risk-Mngt-Committee.pdf</p>	
<p>Recommendation 5.6</p>			
<p>1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.</p>	<p>COMPLIANT</p>	<p>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> <p>Article V.3.5 Conflict of Interest arising from RPTs (page 10)</p> <p>https://ltg.com.ph/related-party-transactions-policy/</p>	

Recommendation 5.7			
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.	COMPLIANT	The Company's Non-Executive Directors (NEDs) conducted a meeting with the external auditor, without anyone from Management present last 08 March 2022. Such meeting was chaired by the Lead Independent Director, Mr. Wilfrido E. Sanchez.	
2. The meetings are chaired by the lead independent director.	COMPLIANT	<p>The Company has appointed last 12 October 2021, a lead independent director in the person of Mr. Wilfrido E. Sanchez to chair separate meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.</p> <p>PSE Disclosure: Appointment of Mr. Wilfrido E. Sanchez as Lead Independent Director</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2021/10/2021-Oct-12.-Lead-ID.-Creation-Risk-Mngt-Committee.pdf</p>	
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.	COMPLIANT	<p>Dr. Lucio C. Tan has been the only CEO of the Company.</p> <p>Qualifications of Board members on LTG website</p> <p>https://ltg.com.ph/leadership/</p> <p>2022 LTG Annual Report</p> <p>https://ltg.com.ph/annual-reports/</p>	

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

Recommendation 6.1

1. Board conducts an annual self-assessment of its performance as a whole.	COMPLIANT	<p>The Company conducted 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 2022 on 11 November 2022.</p> <p>Board Committees > Corporate Governance Committee description</p> <p>https://ltg.com.ph/board-committees/</p>	
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 deems that it is not yet necessary to seek the assistance of an external facilitator for this purpose.	

Recommendation 6.2

1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	COMPLIANT	<p>The Board conducts an annual self-assessment of its performance, including the performance of the Chairman, individual members, and committees. This is done every January of the year. The annual Board assessment is intended to enable the Directors to thoroughly review their performance and understand their roles and responsibilities.</p>	
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		<p>Relative to this, and in keeping with the demands of technology, the Company has created an electronic Performance Evaluation Form (“form”) to be filled out by the Chairman, Directors and all members of the Committee in the determination of their effective performance.</p> <p>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.</p> <p>LTG Revised Manual on Corporate Governance</p> <p>Article VIII Board/Committee Annual Performance Assessment (Page 36)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	
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&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 https://ltg.com.ph/contact/. These will then be</p>	

		conveyed to the proper department for the appropriate response.	
Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
Recommendation 7.1			
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	COMPLIANT	<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 https://ltg.com.ph/code-of-business-conduct-ethics/.</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	<p>The Board, senior management and the employees were properly informed of the Code of Business Conduct and Ethics through (1) memoranda; (2) discussions during Board meetings; (3) upon employment in the Company; and (4) uploading in the Company website.</p> <p>Necessary amendments to the Code are likewise presented before the Corporate Governance Committee and thereafter, the Board, for their approval.</p>	
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	

		https://ltg.com.ph/code-of-business-conduct-ethics/ .	
Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	COMPLIANT	<p>Under the Company's Code of Business Conduct and Ethics, uploaded in its website at https://ltg.com.ph/code-of-business-conduct-ethics/, 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> <p>LTG Revised Manual on Corporate Governance Article III.I (1.6) (Page 11) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	
Recommendation 7.2			

1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT	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	<p>Periodic checks are also done by the Board and the Board Committees during their meetings.</p> <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>	

Disclosure and Transparency

Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

Recommendation 8.1

1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a	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	
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<p>fair and complete picture of a company's financial condition, results and business operations.</p>		<p>Securities and Exchange Commission (SEC). All disclosures made are immediately uploaded and made available on the Company website.</p> <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 https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=12</p> <p>LTG Investor Relations Program https://ltg.com.ph/investor-relation-program/</p> <p>Corporate filings with the Philippine Stock Exchange (PSE) and Securities and Exchange Commission (SEC) https://ltg.com.ph/results-of-stockholder-meetings-and-organizational-meetings-of-board/</p>	
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		<p>LTG Revised Manual on Corporate Governance</p> <p>Article IV Board Committees (pages 16 to 26)</p> <p>Article VI Management (pages 26 to 32)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>Audit Committee Charter</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-Audit-Committee-Charter.pdf</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 within forty-five (45) days from the end of the reporting period.</p>	COMPLIANT	<p>The Company ensures the timely submission of all disclosures and documentary requirements to regulatory bodies. These are immediately uploaded on the Company website upon receipt of acknowledgment thereof by the regulatory bodies: BIR, SEC, PSE.</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</p> <p>Disclosure of Annual Report dated March 21, 2022</p> <p>https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=12</p>	

		Corporate filings with the Philippine Stock Exchange (PSE) and Securities and Exchange Commission (SEC) https://ltg.com.ph/financial-reports/	
2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	COMPLIANT	The Company's Audited Financial Statements, as included in the Company's Annual Report (17-A), provide the disclosure on the Company's principal risks; 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. 2022 LTG Annual Financial Report (17-A) https://ltg.com.ph/financial-reports/	
Recommendation 8.2			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	COMPLIANT	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 five (5) 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	There is no change in the shareholdings of the Board in 2022. LTG Revised Manual on Corporate Governance Article III.D.14.j (page 8) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf	

Supplement to Recommendation 8.2

1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	COMPLIANT	<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>2022 Definitive Information Statement</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2023/04/LTG-2023-Definitive-Information-Statement.pdf</p> <p>LTG Share Transactions and Public Ownership Report</p> <p>https://ltg.com.ph/ownership/</p>	
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Recommendation 8.3

1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	<p>The academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended by the Directors and key executives are made available in Company's website at</p> <p>https://ltg.com.ph/leadership/</p>	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	<p>Certification of Independent Directors</p> <p>https://ltg.com.ph/certification-of-independent-directors/</p>	

Recommendation 8.4

1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.

COMPLIANT

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.

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 the field. Moreover, the systems, policies and procedures are in accordance with the best policies and practices in the industry.

The Board members, on the other hand, receive a fixed allowance per month and a per diem for every meeting attended.

LTG Revised Manual on Corporate Governance
Article IV.B (page 17 to 18)

<https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf>

		<p>LTG Nomination and Compensation Committee Charter</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf</p> <p>2022 LTG Annual Report</p> <p>https://ltg.com.ph/annual-reports/</p>	
<p>2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.</p>	COMPLIANT	<p>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> <p>LTG Revised Manual on Corporate Governance Article IV.B (page 17 to 18)</p>	

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf 2022 LTG Annual Report https://ltg.com.ph/annual-reports/ 2022 LTG Annual Financial Report (Form 17-A) Part III.10 Control and Compensation Information > Executive Compensation (page 83) https://ltg.com.ph/financial-reports/	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	COMPLIANT	In compliance with the Revised Corporate Code, the Company disclosed during the Annual Stockholders' Meeting, the individual remuneration received by each of its Directors for the year 2022. The same disclosure was reflected in the Minutes of the Stockholders' Meeting, uploaded in the Company website. https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-ASM-MINUTES-202248.pdf	
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	COMPLIANT	The Company has established a Related Party Transactions (RPTs) Policy wherein the Risk Management Committee shall have authority to exercise oversight functions over RPTs. These oversight functions include the Committee's duty of reviewing and passing upon related party transactions before they are elevated to the	

		<p>Board; and evaluating, on an ongoing basis, the existing relations between and 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 2022.</p> <p>LTG Related Party Transactions Policy</p> <p>Article IV Board and Senior Management Oversight (pages 5 to 8)</p> <p>https://ltg.com.ph/related-party-transactions-policy/</p> <p>Risk Management Committee Charter Article 5B(pages 4 to 5)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-Risk-Management-Committee-Charter.pdf</p> <p>LTG Revised Manual on Corporate Governance Article IV.D.3.3 (pages 23 to 24)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	
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<p>2. Company discloses material or significant RPTs reviewed and approved during the year.</p>	<p>COMPLIANT</p>	<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>2022 LTG Annual Financial Report (17-A)</p> <p>Notes to the Financial Statements</p> <p>Note 22 (pages 193-197)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2023/03/2022-LTG-SEC-17-A.pdf</p>	
<p>Supplement to Recommendation 8.5</p>			
<p>1. Company requires directors to disclose their interests in transactions or any other conflict of interests.</p>	<p>COMPLIANT</p>	<p>Pursuant to Section 3.6 of the Company's Code of Business Conduct and Ethics, all directors, officers and employees of the Corporation as well as its subsidiaries are required to promptly disclose to the Corporation and/or its subsidiaries any business and family-related transactions to ensure that potential conflicts of interest are surfaced and brought to the attention of management.</p> <p>Moreover, Section 3.7 of the same Code likewise mandates all directors and key officers to disclose to the Board of Directors or to the Audit Committee and the Risk Management Committee, as the case may be, any material transaction or relation that would result in actual or potential conflict of interest.</p> <p>On the other hand, Article VI of the Company's Related Party Transactions Policy provides for</p>	

		<p>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>https://ltg.com.ph/related-party-transactions-policy/</p> <p>LTG Code of Business Conduct and Ethics</p> <p>https://ltg.com.ph/code-of-business-conduct-ethics/</p>	
Optional : Recommendation 8.5			
<p>1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.</p>	COMPLIANT	<p>The Company adheres to industry standards and practices. Hence, the transactions, if any, 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 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 8)</p>	

		https://ltg.com.ph/related-party-transactions-policy/	
Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	COMPLIANT	<p>Article X: 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>As such, 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 https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=12</p> <p>Corporate filings with the Philippine Stock Exchange (PSE) and Securities and Exchange Commission (SEC) https://ltg.com.ph/results-of-stockholder-meetings-and-organizational-meetings-of-board/</p> <p>LTG Revised Manual on Corporate Governance Article X (page 37) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	

<p>2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.</p>	<p>COMPLIANT</p>	<p>The general statement of LTG's RPT Policy requires the Company to ensure that RPTs are transacted fairly, on arm's length basis, 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.</p> <p>It is important to note that the subsidiary bank strictly implements an independent evaluation of its 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 11)</p> <p>https://ltg.com.ph/related-party-transactions-policy/</p>	
<p>Supplement to Recommendation 8.6</p>			
<p>1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.</p>	<p>COMPLIANT</p>	<p>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.</p>	
<p>Recommendation 8.7</p>			

1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	LTG Revised Manual on Corporate Governance https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf	
2. Company's MCG is submitted to the SEC and PSE.	COMPLIANT	The Company has updated its Revised Manual on Corporate Governance which was approved by the Board on 08 March 2022. A copy of which is submitted to the SEC, disclosed to the PSE and uploaded in the Company website. PSE Disclosure: Other SEC Forms, Reports and Requirements https://edge.pse.com.ph/openDiscViewer.do?edge_no=6459b2ff524ab4ac3470cea4b051ca8f	
3. Company's MCG is posted on its company website.	COMPLIANT	LTG Revised Manual on Corporate Governance https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf	
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	COMPLIANT	The Company has updated its Revised Manual on Corporate Governance which the Board approved on 08 March 2022. A copy is submitted to the SEC, disclosed to the PSE, and subsequently uploaded in its website. LTG Revised Manual on Corporate Governance https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf	

		PSE Disclosure: Other SEC Forms, Reports and Requirements https://edge.pse.com.ph/openDiscViewer.do?edge_no=6459b2ff524ab4ac3470cea4b051ca8f	
Optional: Principle 8			
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 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"> 1. To increase stockholder values through long-term growth in its major business groups. 2. To continuously improve the value of its products and services and to provide consumers with more and better choices. 	

		<p>3. To build the largest, most effective distribution network and widest customer reach in the Philippines.</p> <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 09 February 2021 and 08 February 2022.</p> <p>LTG Website (About > Our Company > Mission and Vision)</p> <p>https://ltg.com.ph/vision-and-mission/</p> <p>2022 LTG Annual Report</p> <p>https://ltg.com.ph/annual-reports/</p>	
b. Financial performance indicators	COMPLIANT	<p>2022 LTG Annual Report</p> <p>https://ltg.com.ph/annual-reports/</p> <p>2022 LTG Annual Financial Report (Form 17-A)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2023/03/2022-LTG-SEC-17-A.pdf</p>	
c. Non-financial performance indicators	COMPLIANT	<p>2022 LTG Annual Report</p> <p>https://ltg.com.ph/annual-reports/</p> <p>2022 LTG Annual Financial Report (Form 17-A)</p>	

		<p>Part I Business and General Information (pages 5-56)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2023/03/2022-LTG-SEC-17-A.pdf</p> <p>2022 Sustainability Report (Stand-alone)</p> <p>https://ltg.com.ph/sustainability-reports/</p> <p>2022 Sustainability Report, as attached to the Company's Annual Report 17-A (Pages 273-337)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2023/03/2022-LTG-SEC-17-A.pdf</p>	
d. Dividend Policy	COMPLIANT	<p>2022 LTG Annual Report</p> <p>https://ltg.com.ph/annual-reports/</p> <p>LTG Revised Manual on Corporate Governance Article VII.E (page 34)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	COMPLIANT	<p>2022 LTG Annual Report</p> <p>https://ltg.com.ph/annual-reports/</p> <p>2022 LTG Annual Financial Report (Form 17-A)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2023/03/2022-LTG-SEC-17-A.pdf</p> <p>Respective profiles of LTG Board Directors on corporate website</p>	

		https://ltg.com.ph/leadership/	
f. Attendance details of each director in all directors meetings held during the year	COMPLIANT	<p>2022 LTG Annual Report</p> <p>https://ltg.com.ph/annual-reports/</p> <p>LTG Website > Attendance Report</p> <p>https://ltg.com.ph/attendance-report/</p>	
g. Total remuneration of each member of the board of directors	COMPLIANT	<p>In compliance with the Revised Corporate Code, the Company disclosed during the Annual Stockholders' Meeting, the individual remuneration received by each of its Directors for the year 2022. The same disclosure was reflected in the Minutes of the Stockholders' Meeting, uploaded in the Company website.</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-ASM-MINUTES-202248.pdf</p>	
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.	COMPLIANT	<p>The Company's Annual Report provides that the Company is fully compliant with the recommendations of the Securities and Exchange Commission for good corporate governance, except for some items which include the recommendation to have the positions of Chairman of the Board and Chief Executive Officer held by separate individuals, and the requirement of public float to be at 30%. However, for the latter recommendation, the Company's 25.63% is in compliance with the minimum regulatory public float.</p> <p>2022 LTG Annual Report</p>	

		https://ltg.com.ph/annual-reports/	
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	COMPLIANT	<p>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, when there is no need for further clarifications, the Board approves the same.</p> <p>2022 LTG Annual Report</p> <p>Risk Management Committee</p> <p>https://ltg.com.ph/annual-reports/</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>2022 LTG Annual Report</p> <p>https://ltg.com.ph/annual-reports/</p> <p>2022 LTG Annual Financial Report (Form 17-A)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2023/03/2022-LTG-SEC-17-A.pdf</p>	
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).	COMPLIANT	<p>2022 LTG Annual Financial Report (Form 17-A)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2023/03/2022-LTG-SEC-17-A.pdf</p>	
<p>Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.</p>			
<p>Recommendation 9.1</p>			
1. Audit Committee has a robust process for approving and recommending the appointment,	COMPLIANT	Consistent with the Audit Committee Charter Article 4.2, the said Committee exercises Audit	

reappointment, removal, and fees of the external auditors.		<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 Committee Charter Article 4 Section 2.2 (pages 4 to 5)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-Audit-Committee-Charter.pdf</p> <p>LTG Revised Manual on Corporate Governance Article IV.C.3.2.B (page 19)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</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.	COMPLIANT	During the Company's Annual Stockholders' Meeting held last 04 May 2022, the Audit Committee Chairman, Mr. Johnip G. Cua, reported that the Committee has carefully deliberated upon and evaluated the performance of SGV & Co. as External Auditor of the Company. As such, their reappointment was endorsed to the Board and approved by the latter	

		<p>on 08 March 2022, which was then presented to the stockholders for ratification.</p> <p>The stockholders approved the appointment of the Auditing firm SGV & Co. as external auditor for the year 2022-2023.</p> <p>LTG Minutes of the Annual Stockholders' Meeting (page 7)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-ASM-MINUTES-202248.pdf</p>	
<p>3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.</p>	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 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 2022, 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</p>	

		<p>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 26)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>LTG External Auditor Tender Process</p> <p>https://ltg.com.ph/tender-process-policy/</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/External-Auditor-Tender-Process-Policy.pdf</p>	
Supplement to Recommendation 9.1			
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 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 & Co., the Company's External Auditor, the handling</p>	

		<p>partner was changed in 2020 from Mr. Martin Guantes to Ms. Aileen L. Saringan.</p> <p>Audit Committee Charter Article 4.2.5 (page 5)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-Audit-Committee-Charter.pdf</p> <p>LTG Revised Manual on Corporate Governance Article V.B.4 (page 26)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	
Recommendation 9.2			
<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <p>i. assessing the integrity and independence of external auditors;</p> <p>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</p> <p>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</p>	COMPLIANT	<p>Article IV Section 2 of the Audit 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</p>	

<p>2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	<p>COMPLIANT</p>	<p>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 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 Committee Charter Article 4.2 (page 4 to 7)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-Audit-Committee-Charter.pdf</p> <p>LTG Revised Manual on Corporate Governance Article IV.C.3 (page 18 to 21)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>LTG External Auditor Tender Process</p> <p>https://ltg.com.ph/tender-process-policy/</p>	
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		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/External-Auditor-Tender-Process-Policy.pdf	
Supplement to Recommendations 9.2			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	COMPLIANT	The Audit 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.	
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 Committee Charter Article 4.2.2 (page 4 to 5)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-Audit-Committee-Charter.pdf</p> <p>LTG Revised Manual on Corporate Governance Article IV.C.3 3.1.e (page 19)</p>	

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf LTG External Auditor Tender Process Evaluation Criteria (page 3) https://ltg.com.ph/tender-process-policy/ https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/External-Auditor-Tender-Process-Policy.pdf	
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	COMPLIANT	<p>By virtue of its Charter (Article 4.2.9) and Revised Manual on Corporate Governance (Article IV.C.3.3.2.h), 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.</p> <p>The non-audit services is disclosed on Item 7.d (pages 16 to 17) of the Company's Definitive Information Statement.</p> <p>Audit Committee Charter Article 4.2.9 (pages 5 to 6)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-Audit-Committee-Charter.pdf</p>	

		<p>LTG Revised Manual on Corporate Governance Article IV.C.3 3.2.h (page 20)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>2022 Definitive Information Statement</p> <p>Item 7.c Information on Independent Accountant and other Related Matters > All Other Fees (page 16)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/2022-March-30.-LTG-2022-Definitive-Information-Statement.pdf</p>	
<p>2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.</p>	COMPLIANT	<p>Pursuant to the Audit 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 external auditors are mandated to confirm their independence every year.</p> <p>Audit Committee Charter Article 4.2.4 (page 5)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-Audit-Committee-Charter.pdf</p> <p>LTG Revised Manual on Corporate Governance Article IV.C.3 3.2.h (page 20)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	

Supplement to Recommendation 9.3

1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	COMPLIANT	<p>A computation of the audit and non-audit fees paid to the External Auditors is disclosed on Item 7a and 7c of the Company's 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>2022 Definitive Information Statement</p> <p>Item 7.c Information on Independent Accountant and other Related Matters > All Other Fees (page 16)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/2022-March-30.-LTG-2022-Definitive-Information-Statement.pdf</p> <p>2022 LTG Annual Report</p> <p>https://ltg.com.ph/annual-reports/</p>	
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Additional Recommendation to Principle 9

1. Company's external auditor is duly accredited by the SEC under Group A category.	COMPLIANT	<p>The Company's external auditor is Sycip Gorres Velayo & Co. (SGV & Co.) with office address at 6760 Ayala Avenue, Makati City, 1226 Metro Manila, Philippines</p> <p>Aileen L. Saringan</p> <p>Partner</p> <p>CPA Certificate No. 72557</p>	
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		<p>SEC Partner Accreditation No. 72557-SEC (Group A)</p> <p>Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions</p> <p>SEC Firm Accreditation No. 0001-SEC (Group A)</p> <p>Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions</p> <p>Tax Identification No. 102-089-397</p> <p>BIR Accreditation No. 08-001998-058-2020, December 3, 2020, valid until December 2, 2023</p> <p>PTR No. 9564694, January 3, 2023, Makati City</p>	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	COMPLIANT	SGV & Co. was subjected to SOAR inspection on August 1 to 12, 2022. The names of the members of the engagement team were provided by SGV & Co. to the SEC during the SOAR inspection.	
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG)	COMPLIANT	<p>The Company's 2022 Sustainability Reporting was approved by the Board on 07 March 2023 .</p> <p>2022 Sustainability Report (Stand-alone)</p> <p>https://ltg.com.ph/sustainability-reports/</p>	

issues of its business, which underpin sustainability.		<p>2022 Sustainability Report, as attached to the Company's Annual Report 17-A (Pages 273-337)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2023/03/2022-LTG-SEC-17-A.pdf</p>	
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 also incorporates reporting standards and metrics created by the Sustainable Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD). The report also disclose the Company's contributions to the United Nations (UN) 17 Sustainable Development Goals (SDGs).</p> <p>2022 Sustainability Report (Stand-alone)</p> <p>https://ltg.com.ph/sustainability-reports/</p> <p>2022 Sustainability Report, as attached to the Company's Annual Report 17-A (Pages 273-337)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2023/03/2022-LTG-SEC-17-A.pdf</p>	

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

Recommendation 11.1

<p>1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.</p>	<p>COMPLIANT</p>	<p>In 2022, the Company conducted the Nine (9) Months 2022 Results on 11 November 2022, while the briefing for Full Year 2022 Results was held on 6 March 2023.</p> <p>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.</p> <p>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.</p> <p>LTG Investor Relations Program https://ltg.com.ph/investor-relation-program/</p> <p>Company Notices of Analysts' Briefing https://ltg.com.ph/notice-of-analyst-briefing/</p>	
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Supplemental to Principle 11

<p>1. Company has a website disclosing up-to-date information on the following:</p>		<p>For further details on the documents, please visit:</p>	
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a. Financial statements/reports (latest quarterly)	COMPLIANT	Financial Reports (17-Q) https://ltg.com.ph/financial-reports/	
b. Materials provided in briefings to analysts and media	COMPLIANT	LTG Notices of Analysts' Briefing https://ltg.com.ph/notice-of-analyst-briefing/ Presentation Materials of LTG Analysts' Briefings https://ltg.com.ph/presentations/ President's Reports of LTG Analysts' Briefings https://ltg.com.ph/presidents-reports/ Press Releases Related to LTG Analysts' Briefings https://ltg.com.ph/news/	
c. Downloadable annual report	COMPLIANT	Historical Annual Reports https://ltg.com.ph/annual-reports/ Historical Annual Financial Reports (17-A) https://ltg.com.ph/financial-reports/	
d. Notice of ASM and/or SSM	COMPLIANT	Notices of Annual Stockholders' Meeting https://ltg.com.ph/notice-of-assm/	
e. Minutes of ASM and/or SSM	COMPLIANT	Minutes of Annual Stockholders' Meeting https://ltg.com.ph/minutes-of-stockholders-meeting/	

f. Company's Articles of Incorporation and By-Laws	COMPLIANT	Articles on Incorporation and Amended By-Laws https://ltg.com.ph/articles-of-incorporation/	
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	COMPLIANT	Please visit the Company website at https://ltg.com.ph/ .	

Internal Control System and Risk Management Framework

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

Recommendation 12.1

1. Company has an adequate and effective internal control system in the conduct of its business.

COMPLIANT

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.

The review of the internal controls of the Company shall be conducted at least annually and the Audit Committee shall review, assess and evaluate the work and performance of the Internal Audit.

LTG Revised Manual on Corporate Governance
Article III.D (pages 6 to 8)

<https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf>

Audit Committee Charter

Article 1 (page 2)

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-Audit-Committee-Charter.pdf	
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 (ERM) framework which includes the identification of risks the Company currently faces, and risk management activities and processes.</p> <p>In compliance with good corporate governance, the Company enhanced its ERM framework last February 18, 2022.</p> <p>Enterprise Risk Management Policy</p> <p>https://ltg.com.ph/enterprise-risk-management/</p>	
Supplement to Recommendations 12.1			
1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	COMPLIANT	<p>As provided by Article 4.1.5 of Audit Committee Charter, one of the basic functions of the 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 Committee Charter</p> <p>Article 4.1.5 (page 4)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-Audit-Committee-Charter.pdf</p>	

Optional: Recommendation 12.1

1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.	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>LTG Data Privacy Policy</p> <p>https://ltg.com.ph/data-privacy-policy/</p> <p>IT Policies</p> <p>https://ltg.com.ph/cybersecurity-policies/</p>	
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Recommendation 12.2

1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	COMPLIANT	<p>The Company has an internal audit department headed by its Chief Audit Executive (CAE) who 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 (pages 30 to 31)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	
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Recommendation 12.3

<p>1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.</p>	<p>COMPLIANT</p>	<p>Article VI.C.5 of the Company's Revised Manual on Corporate Governance 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>https://ltg.com.ph/leadership/</p> <p>LTG Revised Manual on Corporate Governance</p> <p>Article VI.C.5 Chief Audit Executive (Pages 30 to 31)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>2022 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/RESULTS-OF-ASM-AND-OB-2022.pdf</p>	
<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.</p>	<p>COMPLIANT</p>	<p>The Internal Audit activity of the Company is governed by the Internal Audit Charter which covers the functions and the responsibility of the</p>	

		<p>CAE including the outsourced services from third party providers, if any.</p> <p>Corporate Organizational Chart & Corporate Structure</p> <p>https://ltg.com.ph/organizational-chart/</p> <p>LTG Revised Manual on Corporate Governance Article VI.C.5 (pages 30 to 31)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>LTG Internal Audit Charter</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/04/LTG-Internal-Audit-Charter-2018.pdf</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 of the Company's internal controls. The internal audit functionally reports to the Company's Audit Committee and the respective subsidiaries' Audit Committee (except PNB).</p> <p>In case of a fully outsourced internal audit activity, the Company's Internal Audit 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</p>	

		<p>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>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/04/LTG-Internal-Audit-Charter-2018.pdf</p> <p>Corporate Organizational Chart & Corporate Structure</p> <p>https://ltg.com.ph/organizational-chart/</p> <p>LTG Revised Manual on Corporate Governance Article VI.C.5 (pages 30 to 31)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	COMPLIANT	<p>The Company has its Risk Management Committee which exercises the functions of identifying, assessing, and monitoring key risk exposures.</p> <p>Risk Management Committee Charter</p>	

		<p>Article 5.A Risk Oversight Function (pages 3 to 4)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-Risk-Management-Committee-Charter.pdf</p> <p>Enterprise Risk Management Policy</p> <p>https://ltg.com.ph/enterprise-risk-management/</p>	
Supplement to Recommendation 12.4			
<p>1. Company seeks external technical support in risk management when such competence is not available internally.</p>	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 Risk Management Committee, together with the Chief Risk Officer, effectively implements its Enterprise Risk Management Policy.</p> <p>Enterprise Risk Management Policy</p> <p>https://ltg.com.ph/enterprise-risk-management/</p>	
Recommendation 12.5			
<p>1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).</p>	COMPLIANT	<p>The Company appointed Mr. Jose Gabriel D. Olives as its Chief Risk Officer (CRO) on 09 July 2019.</p> <p>CRO Profile on Company Website</p> <p>Executive Officers</p> <p>https://ltg.com.ph/leadership/</p>	

		<p>2022 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board (page 2)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/RESULTS-OF-ASM-AND-OB-2022.pdf</p> <p>LTG Revised Manual on Corporate Governance Article VI.C.6 (page 31)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	COMPLIANT	<p>CRO Profile on Company Website</p> <p>Executive Officers</p> <p>https://ltg.com.ph/leadership/</p>	
Additional Recommendation to Principle			
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	<p>The CAE attests in writing, through its Annual Report on the Internal Control Environment of the Company, to be approved by the Audit 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. This attestation was based on the performed activities of the Internal Audit and the outcome of reviews undertaken by the external reviewer, SGV & Co.</p>	
Cultivating a Synergic Relationship with Shareholders			

Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	COMPLIANT	LTG Revised Manual on Corporate Governance Article VII The Shareholders (pages 32 to 35) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	COMPLIANT	Shareholder rights are included in the Company's Revised Manual on Corporate Governance. LTG Revised Manual on Corporate Governance Article VII The Shareholders (pages 32 to 35) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	COMPLIANT	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>by him multiplied by the number of directors to be elected.</p> <p>LTG Revised Manual on Corporate Governance</p> <p>Article VII.B.5 (pages 32 to 33)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</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</p> <p>Article VII.H (page 35)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	
3. Board has an effective, secure, and efficient voting system.	COMPLIANT	<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>	
4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	COMPLIANT	<p>In 2022, due to the ongoing COVID-19 pandemic, the Company allowed voting in</p>	

		<p>absentia to ensure that the voting rights of its stockholders are exercised.</p> <p>LTG Revised Manual on Corporate Governance</p> <p>Article VII.B (pages 32 to 33)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	COMPLIANT	<p>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 32)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	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>	

		<p>Article VII The Shareholders (pages 32 to 35)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	
<p>7. Company has a transparent and specific dividend policy.</p>	COMPLIANT	<p>Part VII (E) of the Company's Revised Manual on Corporate Governance provides for its Dividend Policy.</p> <p>In 2022, the Company four (4) times declared dividends on the following dates:</p> <p>16 March 2022 - Regular Cash Dividend of ₱0.15 per share and Special Cash Dividend of ₱0.15 per share to all its Stockholders as of record date of March 30, 2022</p> <p>18 May 2022 - Special cash dividend of ₱0.30 per share to all its Stockholders as of record of May 31, 2022</p> <p>17 August 2022 - Special cash dividend of ₱0.30 per share to all its Stockholders as of record of September 2, 2022</p> <p>18 November 2022 – Special Cash Dividend of ₱0.50 per share to all its Stockholders as of record of December 6, 2022</p> <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>16 March 2022 / 12 April 2022</p> <p>18 May 2022 / 15 June 2022</p> <p>17 August 2022 / 15 September 2022</p> <p>18 November 2022 / 16 December 2022</p> <p>2022 LTG Annual Report</p> <p>https://ltg.com.ph/annual-reports/</p> <p>LTG Revised Manual on Corporate Governance Article VII.E (page 34)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	COMPLIANT	<p>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</p>	

		<p>Article VII.B (pages 32 to 33)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>In 2022, 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>	
Recommendation 13.2			
<p>1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.</p>	COMPLIANT	<p>In 2022, notices to the annual stockholders' meeting were 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 16 March 2021, which was issued in light of the ongoing COVID-19 pandemic.</p> <p>The notices were published through the Philippine Daily Inquirer, and the Philippine Star, in print and online format. The last day of publication, 06 April 2022, was at least twenty-one (21) days prior to the date of the Annual Stockholders' Meeting held on 04 May 2022.</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 2021.</p> <p>2022 Definitive Information Statement</p>	

		https://ltg.com.ph/definitive-information-statement/ 2022 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/RESULTS-OF-ASM-AND-OBD-2022.pdf Minutes of the Annual Stockholders' Meeting of LT Group, Inc. on 04 May 2022 https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-ASM-MINUTES-202248.pdf	
Supplemental to Recommendation 13.2			
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. Notices of Annual Stockholders' Meeting	
b. Auditors seeking appointment/re-appointment	COMPLIANT	https://ltg.com.ph/notice-of-assm/ 2022 Definitive Information Statement https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/2022-March-30.-LTG-2022-Definitive-Information-Statement.pdf	
c. Proxy documents	COMPLIANT		

Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	COMPLIANT	<p>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.</p> <p>However, in 2022, due to the COVID-19 pandemic, the SEC issued a Notice dated 16 February 2022 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, BusinessWorld Online, 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 https://ltg.com.ph/notice-of-assm/ 2022 Definitive Information Statement https://ltg.com.ph/definitive-information-statement/</p>	
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special	COMPLIANT	The results of the meeting was made available on the same day, 04 May 2022 via the Philippine Stock Exchange's Online Disclosure System.	

Shareholders' Meeting publicly available the next working day.		<p>The results may likewise be viewed and downloaded from the Company's website.</p> <p>2022 Definitive Information Statement</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/2022-March-30.-LTG-2022-Definitive-Information-Statement.pdf</p> <p>2022 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/RESULTS-OF-ASM-AND-OBD-2022.pdf</p> <p>Minutes of the Annual Stockholders' Meeting of LT Group, Inc. on 04 May 2022</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-ASM-MINUTES-202248.pdf</p>	
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	COMPLIANT	<p>Minutes of the Annual Stockholders' Meeting of LT Group, Inc. on 04 May 2022</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/05/LTG-ASM-MINUTES-202248.pdf</p>	
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	COMPLIANT	<p>Aside from the PSE disclosures and the publication of the Notice to the Annual Stockholders' Meeting, the Company likewise sends the necessary invite to SGV via electronic</p>	

		<p>mail at least 10 days prior to the meeting to ensure their attendance to the meeting.</p> <p>The External Auditor and Senior Officers of the Company and its subsidiaries attended the ASM.</p>	
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	COMPLIANT	<p>Part IX 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</p> <p>Article IX Alternative Dispute Resolution (pages 36 to 37)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	COMPLIANT	<p>LTG Revised Manual on Corporate Governance</p> <p>Article IX Alternative Dispute Resolution (pages 36 to 37)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	COMPLIANT	Ms. Annabelle Arceo, is the Company's Investor Relations Officer.	

		<p>LTG Revised Manual on Corporate Governance</p> <p>Article VI.C.7 Investor Relations Officer (page 31)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>Contact details of the Company IRO</p> <p>https://ltg.com.ph/contact/</p>	
2. IRO is present at every shareholder's meeting.	COMPLIANT	The IRO always attends every stockholders' meeting, the latest of which was held last 04 May 2022.	
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 2022 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.
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	COMPLIANT	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>LTG Revised Manual on Corporate Governance</p> <p>Article VI.C.7 Investor Relations Officer (page 31)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>Contact details of the Company IRO</p> <p>https://ltg.com.ph/contact/</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.	
Duties to Stakeholders			
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	COMPLIANT	<p>The Company encourages its stakeholders to raise their issues and concerns as well as give their suggestions for the betterment of the Company before, during and after the Annual Stockholders' Meeting.</p> <p>The Company also established an Investor Relations Program to allow cooperation between the Company and its stakeholders.</p>	

		<p>LTG Revised Manual on Corporate Governance</p> <p>Article VI.C.7 Investor Relations Officer (page 31)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>2022 Sustainability Report (Stand-alone)</p> <p>https://ltg.com.ph/sustainability-reports/</p> <p>Contact details of the Company IRO, Stock and Transfer Agent, and General Queries</p> <p>https://ltg.com.ph/contact/</p>	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	COMPLIANT	<p>Part VII (H) of the Company's Revised Manual on Corporate Governance provides the right of the Stockholders to fair treatment and protection.</p> <p>LTG Revised Manual on Corporate Governance</p> <p>Article VII.H (page 35)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	
Recommendation 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	COMPLIANT	<p>Stakeholders may voice their concerns and/or complaints for possible violation of their rights through the Corporate Secretary, Atty. Ma. Cecilia L. Pesayco, 4/F Allied Bank Center, 6754 Ayala Avenue, Makati City, Philippines, 8810-</p>	

		<p>2451 and/or through the Investor Relations Officer, Ms. Annabelle D. Arceo, whose contact details are available on the website.</p> <p>2022 Sustainability Report (Stand-alone)</p> <p>https://ltg.com.ph/sustainability-reports/</p> <p>Contact details of the Company IRO, Stock and Transfer Agent, and General Queries</p> <p>https://ltg.com.ph/contact/</p>	
Supplement to Recommendation 14.3			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	COMPLIANT	<p>Article IX of the Company's Revised Manual on Corporate Governance provides for the Alternative Dispute Resolution.</p> <p>LTG Revised Manual on Corporate Governance</p> <p>Article IX Alternative Dispute Resolution (pages 36 to 37)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	
Additional Recommendations to Principle 14			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps	COMPLIANT	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.	

being taken to finally comply with the applicable law, rule or regulation.			
2. Company respects intellectual property rights.	COMPLIANT	<p>Article 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 Article II.A.3 (page 4)</p> <p>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p>	
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	COMPLIANT	<p>As a holding company, the 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> <p>Nevertheless, Item 3.12 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,</p>	

		<p>gender, age, language or nationality shall at all times be prohibited.”</p> <p>LTG Code of Business Conduct and Ethics Article 3.12 (page 6)</p> <p>https://ltg.com.ph/code-of-business-conduct-ethics/</p> <p>2022 Sustainability Report (Stand-alone)</p> <p>https://ltg.com.ph/sustainability-reports/</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 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 (page 27)</p>	

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf 2022 Sustainability Report (Stand-alone) https://ltg.com.ph/sustainability-reports/	
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	COMPLIANT	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. LTG Revised Manual on Corporate Governance Article VI.C.1.f (page 27) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf LTG Health, Safety and Welfare Policy https://ltg.com.ph/health-safety-welfare-policy/	
Supplement to Recommendation 15.1			
1. Company has a reward/compensation policy that accounts for the performance of the	COMPLIANT	The Company promotes advancement among its employees for consistently exceeding	

<p>company beyond short-term financial measures.</p>		<p>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>https://ltg.com.ph/board-committees/</p> <p>2022 LTG Annual Financial Report (Form 17-A) Part III.10</p> <p>Control and Compensation Information > Executive Compensation</p> <p>https://ltg.com.ph/financial-reports/</p> <p>2022 LTG Annual Report</p> <p>Corporate Governance Report > Board Remuneration: Compensation of Directors and Executive Officers</p> <p>https://ltg.com.ph/annual-reports/</p>	
<p>2. Company has policies and practices on health, safety and welfare of its employees.</p>	<p>COMPLIANT</p>	<p>The Company offers health care benefits covered by the health insurance provider of the Company.</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</p> <p>https://ltg.com.ph/health-safety-welfare-policy/</p>	

		2022 Sustainability Report (Stand-alone) https://ltg.com.ph/sustainability-reports/	
3. Company has policies and practices on training and development of its employees.	COMPLIANT	<p>The Company approved its Employee Development Policy last 08 March 2022. Said policy covers all permanent employees of the Company. The focus is to build the necessary skills for current and future positions, addressing any competency gap, as well as empowering employees to deal with challenges that may affect their performance. With this policy, eligible employees are made to attend seminars and training programs to enhance their knowledge and to acquire new information.</p> <p>LTG Employee Development Policy https://ltg.com.ph/edp-policy-and-procedural-guidelines/</p>	
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	COMPLIANT	<p>The Company's Code of Business Conduct and Ethics (Article 3.14), 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.</p> <p>LTG Code of Business Conduct and Ethics Article 3.14 Compliance with Laws, Rules and Regulations</p>	

		https://ltg.com.ph/code-of-business-conduct-ethics/ 2022 Sustainability Report (Stand-alone) https://ltg.com.ph/sustainability-reports/	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	<p>As a holding company, the Company is tasked to oversee the proper management of its subsidiaries where the conduct of the necessary trainings and seminars are implemented by its operating companies, in compliance with the SEC rules.</p> <p>Nevertheless, it has approved last 08 March 2022 its Employee Development Policy. Said policy covers all permanent employees of the Company, to build the necessary skills for current and future positions, addressing any competency gap, as well as empowering employees to deal with challenges that may affect their performance. With this policy, eligible employees are made to attend seminars and training programs to enhance their knowledge and to acquire new information.</p> <p>Likewise, the Company disseminates its own policies and programs to its employees through memoranda, when necessary.</p> <p>LTG Employee Development Policy https://ltg.com.ph/edp-policy-and-procedural-guidelines/ 2022 Sustainability Report (Stand-alone) https://ltg.com.ph/sustainability-reports/ </p>	

Supplement to Recommendation 15.2

1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	COMPLIANT	<p>The Company's Code of Business Conduct and Ethics (Article 3.14) 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>3.14.2 Directors, Officers and Employees of the Corporation shall comply with all governmental laws, rules and regulations.</p> <p>Violators shall be penalized based on the penalties imposed under the Company's Revised Manual on Corporate Governance. In 2021, no incidents concerning the offering, paying and receiving bribes were reported.</p> <p>LTG Code of Business Conduct and Ethics Article 3.14 (pages 6 to 7)</p> <p>https://ltg.com.ph/code-of-business-conduct-ethics/</p>	
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Recommendation 15.3

1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	COMPLIANT	<p>The Company's Code of Business Conduct and Ethics provides for a whistle-blower policy.</p> <p>LTG Code of Business Conduct and Ethics Article 4 (page 9 to 12)</p> <p>https://ltg.com.ph/code-of-business-conduct-ethics/</p> <p>2022 Sustainability Report (Stand-alone)</p>	
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		https://ltg.com.ph/sustainability-reports/	
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>Article 4.3 of the Company's Code of Business Conduct and Ethics provides the reporting procedure of reportable incidents. Based on said provision, 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 4.3 (page 9)</p> <p>https://ltg.com.ph/code-of-business-conduct-ethics/</p>	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	COMPLIANT	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 Article 4.7 of	

		<p>the Company's Code of Business Conduct and Ethics.</p> <p>In 2022, no circumstance arose which required the Board to enforce the policy.</p> <p>LTG Code of Business Conduct and Ethics Article 4.7 (pages 11 to 12)</p> <p>https://ltg.com.ph/code-of-business-conduct-ethics/</p>	
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Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

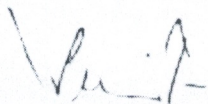
Recommendation 16.1

1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	COMPLIANT	<p>The Company, through its foundation, Tan Yan Kee, gives back to the public by offering 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>Moreover, the Company conducted its own vaccination drive for its employees and their household to help the government fight the pandemic and ensure the safety of their employees.</p> <p>Tan Yan Kee Foundation Website</p>	
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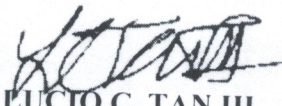
		http://www.tanyankee.org/ 2022 LTG Annual Report https://ltg.com.ph/annual-reports/ 2022 Sustainability Report (Stand-alone) https://ltg.com.ph/sustainability-reports/	
Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	COMPLIANT	<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> <p>2022 LTG Annual Report https://ltg.com.ph/annual-reports/ 2022 Sustainability Report (Stand-alone) https://ltg.com.ph/sustainability-reports/</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>https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2022/03/LTG-Revised-Corporate-Governance-Manual-2022.pdf</p> <p>Tan Yan Kee Foundation Website</p> <p>http://www.tanyankee.org/</p> <p>2022 LTG Annual Report</p> <p>https://ltg.com.ph/annual-reports/</p> <p>2022 Sustainability Report (Stand-alone)</p> <p>https://ltg.com.ph/sustainability-reports/</p>	
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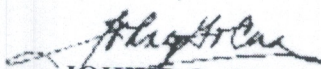
IN WITNESS WHEREOF, we, have hereunto set out hands and seal at the City of Makati, Philippines, this MAY 29 2023.



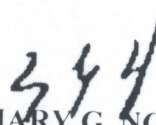
LUCIO C. TAN
Chairman/CEO



LUCIO C. TAN III
President/COO



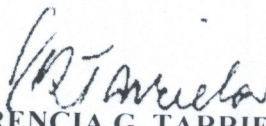
JOHN P. G. CUA
Independent Director



MARY G. NG
Independent Director



WILFRIDO E. SANCHEZ
Independent Director



FLORENCIA G. TARRIELA
Independent Director



MA. CECILIA L. PESAYCO
Corporate Secretary



MARIVIC T. MOYA
Assistant Corporate Secretary and
Compliance Officer

ACKNOWLEDGMENT

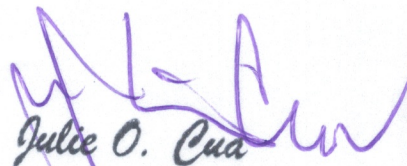
REPUBLIC OF THE PHILIPPINES)
MAKATI, METRO MANILA) SS.

BEFORE ME, a Notary Public, for and in Makati City on this MAY 29 2023,
personally appeared the following:

Name	I.D.	Date/Place Issued
Lucio C. Tan		
Lucio C. Tan III		
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. 358
Page No. 72
Book No. 64
Series of 2023.


Julie O. Cua

Notary Public for Makati City
Roll of Attorneys No. 35358
PTR No. 9566504 /1-3-2023 /Makati City
IBP Lifetime Member No. 00104
6/F 6754 Ayala Avenue, Makati City
MCLE Compliance No. VII-0026545 /02-27-2023
Commission No. M-149 until 31 December 2024