

FILINVEST LAND, INC.

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Mandaluyong City, Metro Manila
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30 May 2018

THE PHILIPPINE STOCK EXCHANGE

Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: **MR. JOSE VALERIANO B. ZUÑO III**
OIC- Head, Disclosure Department

PHILIPPINE DEALING & EXCHANGE CORP.

37/F, Tower 1, The Enterprise Center
6766 Ayala Ave. cor. Paseo de Roxas, Makati City

Attention: **MS. KATHLENE ANNE F. FAMADICO**
OIC - Issuer Compliance and Disclosure Department (ICDD)

Re: **Integrated Annual Corporate Governance Report for the Year 2017**

Gentlemen/Ladies:

In compliance with the SEC Memorandum Circular No. 15 Series of 2017, please find attached the Integrated Annual Corporate Governance Report of Filinvest Land, Inc. for the Year 2017.

Thank you.

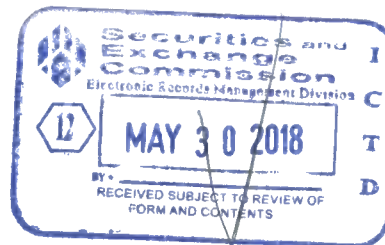
Very truly yours,



ELMA CHRISTINE R. LEOGARDO
Corporate Secretary



SHARON P. PAGALING-REFUERZO
Assistant Corporate Secretary and
Corporate Information Officer



SEC FORM – I-ACGR
INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **31 December 2017**
2. SEC Identification Number **170957**
3. BIR Tax Identification No. **000-533-224-000**
4. Exact name of issuer as specified in its charter **FILINVEST LAND, INC.**
5. **National Capital Region**
Province, country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. **Filinvest Building, 79 EDSA,**
Highway Hills, Mandaluyong City
Address of principal office
- 1550**
Postal Code
8. **(02) 918 8188**
Issuer's telephone number, including area code
9. **Not Applicable**
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT																							
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION																				
The Board's Governance Responsibilities																							
Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.																							
Recommendation 1.1																							
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	The full profiles including professional qualifications and technical expertise of the Company's board of directors are discussed in detail on Page 8 of the Definitive Information Statement (SEC Form 20-IS), accessible at http://www.filinvestland.com/wp-content/uploads/2018/03/FLI_Definitive-Information-Statement-.pdf	-																				
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		-																				
Recommendation 1.2																							
1. Board is composed of a majority of non-executive directors.	Compliant	For the year 2017, only three (3) out of nine (9) directors perform executive roles or functions. <table><tr><th>Name</th><th>Type of Directorship</th></tr><tr><td>L. Josephine Gotianun-Yap</td><td>ED</td></tr><tr><td>Jonathan T. Gotianun</td><td>NED</td></tr><tr><td>Mercedes T. Gotianun</td><td>NED</td></tr><tr><td>Andrew T. Gotianun</td><td>NED</td></tr><tr><td>Michael Edward T. Gotianun</td><td>ED</td></tr><tr><td>Francis Nathaniel C. Gotianun</td><td>ED</td></tr><tr><td>Efren C. Gutierrez</td><td>NED</td></tr><tr><td>Val Antonio B. Suarez</td><td>ID</td></tr><tr><td>Lamberto U. Ocampo</td><td>ID</td></tr></table>	Name	Type of Directorship	L. Josephine Gotianun-Yap	ED	Jonathan T. Gotianun	NED	Mercedes T. Gotianun	NED	Andrew T. Gotianun	NED	Michael Edward T. Gotianun	ED	Francis Nathaniel C. Gotianun	ED	Efren C. Gutierrez	NED	Val Antonio B. Suarez	ID	Lamberto U. Ocampo	ID	-
Name	Type of Directorship																						
L. Josephine Gotianun-Yap	ED																						
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Francis Nathaniel C. Gotianun	ED																						
Efren C. Gutierrez	NED																						
Val Antonio B. Suarez	ID																						
Lamberto U. Ocampo	ID																						
* ED – Executive Director; NED – Non-executive Director; ID – Independent Director.																							

Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	Part V of the Company's Revised Manual on Corporate Governance (the "Revised Manual") requires the Chief Financial Officer ("CFO") to allocate funds for the	-

2. Company has an orientation program for first time directors.	Compliant	<p>orientation program as well as the annual continuing training workshop for new and current directors.</p> <p>None of the current directors are first-time directors.</p> <p>A copy of the Company's Revised Manual as of May 2017 is accessible at http://www.filinvestland.com/corporate-governance/manual-on-corporate-governance/.</p>	-
3. Company has relevant annual continuing training for all directors.	Compliant	The Company's board of directors, together with its key officers and members of senior management, attended the annual corporate governance training conducted by SyCip Gorres Velayo & Co. ("SGV") on 21 November 2017 at the Crimson Hotel, Filinvest City, Manila.	-
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	<p>The Company's Revised Manual provides that the Board shall have a balance of EDs and NEDs (including independent non-executives), having a clear division of responsibilities such that no individual or small group of individuals can dominate the Board's decision-making. It further requires the Board's Nomination Committee to ensure that the members of the Board shall be diverse in terms of age, culture, gender and expertise. Moreover, the Company considers it appropriate that the directors are composed of competent, ethical and professional individuals who are knowledgeable, experienced and skillful in diverse fields relevant to the conduct of business.</p> <p>Currently, the Company's Board of Directors consists of two (2) female and seven (7) male members.</p>	-
Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.			

Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	Atty. Elma Christine R. Leogardo acts as the Corporate Secretary for the Company. She is concurrently the Vice President for Corporate and Tax Advisory Division of the Legal Department. Her professional qualifications are discussed on Page 10 of the Company's Information Statement, accessible at the Company's website. Atty. Leogardo's duties and functions as the Corporate Secretary are further discussed in the Company's By-Laws and Part III E of the Revised Manual also accessible at the Company's website.	-
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		-
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		-
4. Corporate Secretary attends training/s on corporate governance.	Compliant	Atty. Leogardo participated in the corporate governance training conducted by SGV for the Company on 21 November 2017. Among the topics discussed therein are updates on Anti-Money Laundering Act, Cybersecurity and Data Privacy Act.	-
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.			

Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	On 20 April 2018, the Board appointed Mr. Nelson M. Bona as the Company's Compliance Officer. Mr. Bona concurrently acts as the Company's CFO. His professional qualifications are discussed on Page 10 of the Company's Information Statement, accessible at the Company's website. Mr. Bona's duties and functions as the Compliance Officer are further discussed in Part III F of the Company's Revised Manual also accessible at the Company's website.	-
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant		-
3. Compliance Officer is not a member of the board.	Compliant		-
4. Compliance Officer attends training/s on corporate	Compliant	Mr. Bona participated in the corporate governance training	-

governance.		conducted by SGV for the Company on 21 November 2017. Among the topics discussed include updates on Anti-Money Laundering Act, Cybersecurity and Data Privacy Act.	
Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company’s articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.			
Recommendation 2.1			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	The Revised Manual requires the members of the Board to conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities.	-
Recommendation 2.2			
1. Board oversees the development, review and approval of the company’s business objectives and strategy.	Compliant	Part III A (2) of the Revised Manual provides that it is the Board’s responsibility to foster long-term success of the Company, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders and other stakeholders. The Board shall also formulate the Corporation’s vision, mission, strategic objectives, policies and procedures, annual budgets and business plans, that shall guide its activities, including the means to effectively monitor management's performance. The Company’s business objectives and strategies are being evaluated on an annual basis.	-
2. Board oversees and monitors the implementation of the company’s business objectives and strategy.	Compliant		-
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	The Company’s mission, objectives, and shared values are accessible at http://www.filinvestland.com/our-company/missionvision-values/ . These overarching principles and corporate values are regularly reviewed at such frequency as may be determined by the Board of Directors.	-
2. Board has a strategy execution process that facilitates effective management performance and is attuned to	Compliant	The Company’s business strategies are discussed in detail in its Annual Report, which may be accessed at	-

the company's business environment, and culture.		http://www.filinvestland.com/wp-content/uploads/2018/04/2017-FLI-Annual-Report-FA.compressed.pdf . Part III A (5) of the Revised Manual provides that there shall be organizational and procedural controls supported by an effective management information system and risk management reporting system. For this reason, the Company's Management regularly conducts meetings with key personnel and senior officers overseeing the business operations of various project groups. Various management information systems are also in place to facilitate automated report generation on the current status of various projects.	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	The Board is headed by Mr. Jonathan T. Gotianun. He was first elected as a director of Filinvest Land, Inc. on 17 June 1994. His professional qualifications are discussed in further detail on Page 15 of the Company's Information Statement, which is accessible at the Company's website.	-
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	Among the internal control responsibilities of the Board under Part III A (5) of the Revised Manual is the review of management succession plan. In this regard, the Board discusses and deliberates on succession plans for the President and Chief Executive Office and top key management positions to ensure continuity and consistency with the Company's strategic plans as well as to accommodate its growth.	-
2. Board adopts a policy on the retirement for directors and key officers.	Compliant	The Company has a private retirement plan for the benefit of all its regular employees and key officers.	-
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the	Compliant	Part III A (7) of the Revised Manual provides that levels of remuneration shall be sufficient to attract and retain the	-

company.		directors, if any, and officers needed to run the Corporation successfully. A proportion of executive directors' remuneration may be structured so as to link rewards to corporate and individual performance.	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant		-
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	<p>Moreover, the Company has established a Compensation Committee composed of at least three (3) directors, one of whom shall be an independent director.</p> <p>The Compensation Committee shall have the following duties and responsibilities, among others:</p> <ul style="list-style-type: none"> • Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors; and provide oversight over remuneration of senior management and other key personnel, ensuring that compensation is consistent with the Company's culture, strategy and control environment; • Disallow any director to decide on his/her own remuneration; and • Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of individual directors, if any and officers. <p>Additional information on the Compensation Committee may be found on Page 34 of the Company's 2017 Annual Report, accessible at http://www.filinvestland.com/wp-content/uploads/2018/04/2017-FLI-Annual-Report-FA.compressed.pdf.</p> <p>Under Article II Section 10 of the Company's By-Laws, directors shall receive the compensation previously determined by the Board with the approval of the stockholders, unless hereafter reduced or increased with the approval of the stockholders. As disclosed on Page 21</p>	-

		of the Company's Information Statement and on Page 39 of the 2017 Annual Report, except for a per diem of Php50,000.00 being paid to each non-executive director for every meeting attended, there are no other arrangements for the payment of compensation or remuneration to the directors in their capacity as such.	
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.			
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.			
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	Under Part III A (8) of the Revised Manual, the Board shall promulgate the guidelines and criteria for the nomination and disclose the same in the Company's information or proxy statement or such other reports required to be submitted to the Securities and Exchange Commission ("SEC"). The guidelines shall contain the procedure for the acceptance of nominations from all stockholders of the Corporation.	-
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		-
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant	The Charter of the Board's Nomination Committee is accessible on http://www.filinvestland.com/wp-content/uploads/2014/12/Nomination-Committee-Charter.pdf . This Charter sets forth the guidelines in the determination of directorship limit for the directors as well as the criteria for selection of new directors.	-
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant		-
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant	The nomination process, which includes the right of minority shareholders to nominate candidates to the Board, is described in further detail on Page 13 of the Company's Information Statement, which is accessible at	-

6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant	the Company's website.	-
Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.			
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related-party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	<p>On 20 April 2018, the Board established the Corporate Governance and RPT Committee. Among the key functions of the said committee include continuous evaluation and monitoring of existing relations among counterparties as well as evaluation of all material RPTs to ensure that these are transacted on an arm's length basis.</p> <p>The Company's RPT Policy may be accessed at http://www.filinvestland.com/corporate-governance/company-policies/</p> <p>As disclosed in the Company's Audited Financial Statements for the year ended 31 December 2017, a copy of which is accessible at http://www.filinvestland.com/wp-content/uploads/2018/05/FLI-SEC-form-17-A_Dec-2017.pdf, some of the transactions that were approved pursuant to the RPT Policy are as follows:</p> <ul style="list-style-type: none"> • Interest and non-interest bearing cash advances made to and received from the parent company, Filinvest All Philippines, Inc. and other affiliates to meet liquidity and working capital requirements; • Joint expenses relating to common facilities and services used by each member of the Filinvest Group; • 50-year lease agreement with Filinvest Alabang, Inc. for the 10-hectare property on which the Festival Supermall and its related structures are located; and 	-
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant		-
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant		-

		<ul style="list-style-type: none">Management contracts with subsidiaries such as Filinvest Asia Corporation and Cyberzone Properties, Inc.	
Supplement to Recommendations 2.7			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	Non-compliant		Full disclosure in the annual audited financial statements is made to the minority shareholders and other stakeholders in case there are related-party transactions.
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related-party transactions during shareholders' meetings.	Non-compliant		
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>The Company's By-Laws and Part III A (5) of the Revised Manual empower the Board to select and appoint individuals with appropriate ability, integrity, and experience to fill the roles of the CEO, Chief Risk Officer ("CRO"), Chief Compliance Officer ("CCO"), and Chief Audit Executive ("CAE").</p> <p>The results of the Board's organizational meeting held last 20 April 2018 wherein the Board appointed the CEO, CRO, CCO, CAE and other key corporate officers is accessible at http://www.filinvestland.com/company-disclosures/#17c.</p>	-
2. Board is primarily responsible for assessing the performance of Management led by the CEO and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	<p>The composition of the Company's senior management team may be accessed at http://www.filinvestland.com/our-company/leadership/company-management-team/</p>	-

		<p>The profiles of the principal officers and members of senior management are disclosed on Page 8 of the Company's Information Statement accessible at the Company's website.</p> <p>The Board assesses the performance of management on an annual basis. The evaluation is based on their performance of such duties and responsibilities set forth in the By-Laws and the Company's Revised Manual.</p>	
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	Part III A (3) of the Revised Manual discusses the Board's specific duty to identify key risk areas and key performance indicators and monitor these actors with due diligence.	-
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Compliant	<p>Part III D of the Revised Manual states that the Board shall maintain a sound and effective system of internal control to safeguard stakeholders' investment and the Company's assets for the benefit of all stockholders and other stakeholders. The Company further recognizes that the minimum internal control mechanisms for Management's operational responsibility would center on the CEO, being ultimately accountable for the Company's organizational and procedural controls.</p> <p>The internal control system is defined through the formulation of Operating Manual Systems ("OMS") for the various operating sections of the Company. OMS for a particular section is formulated through the review of the business processes within the section by a team normally comprised of the Systems Department, the personnel operating within the section and representatives from all other affected units. A draft of the OMS is prepared by the System Department, who then secures the concurrence of all team members before submission to the President for</p>	-
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant		-

		<p>final approval.</p> <p>A copy of the Company's policy on conflict of interest is accessible at http://www.filinvestland.com/company-disclosures/.</p>	
3. Board approves the Internal Audit Charter.	Compliant	<p>A copy of the Company's Internal Audit Charter is accessible at http://www.filinvestland.com/corporate-governance/board-committees/board-committee-charters/.</p>	-
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	The Board expanded the roles and functions of its Audit Committee to include Risk Management Oversight Committee.	-
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>Under Part III B (2) of the Revised Manual, the Audit and Risk Management Oversight Committee shall have the following duties and responsibilities, among others:</p> <ul style="list-style-type: none"> • Develop and oversee the Corporation's risk management program; • Oversee the system of limits to discretionary authority that the Board delegates to the Management, ensure that the system remains effective, that the limits are observed and that immediate corrective actions are taken whenever limits are breached; • Advise the Board on its risk appetite levels and risk tolerance limits; and • Assess the probability of each identified risk becoming a reality and estimates its possible significant financial impact and likelihood of occurrence. 	-
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 roles, responsibilities and accountabilities of the Board of Directors are set forth in the Company's Revised Manual on Corporate Governance, which is accessible at	-

2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant	http://www.filinvestland.com/corporate-governance/manual-on-corporate-governance/ .	-
3. Board Charter is publicly available and posted on the company's website.	Compliant		-
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	Compliant	The Company's policy on insider trading may be accessed at http://www.filinvestland.com/corporate-governance/company-policies/	-
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.			
2. Company discloses the types of decision requiring board of directors' approval.			
Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	During the organizational meeting of the Board held on 20 April 2018, the following board committees were established: <ol style="list-style-type: none"> 1. Executive Committee; 2. Audit and Risk Management Oversight Committee; 3. Compensation Committee; 4. Nominations Committee; 5. Technical Committee; and 6. Related-Party Transactions and Corporate Governance Committee. 	-
Recommendation 3.2			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial	Compliant	Part III B (2) of the Revised Manual mandates the Board to constitute an Audit and Risk Management Oversight	-

reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.		<p>Committee (“ARMOC”). Its duties and key functions are discussed in further detail on Page 12 of the Company’s Revised Manual.</p> <p>Furthermore, the ARMOC Charter provides for its responsibility to assess the integrity and independence of external auditors and exercise effective oversight to review and monitor the external auditor’s independence and objectivity and the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</p>									
2. Audit Committee is composed of at least three (3) appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	<p>As of 20 April 2018, the composition of the ARMOC is as follows:</p> <table><tr><th>Name</th><th>Type of Directorship</th></tr><tr><td>Val Antonio B. Suarez</td><td>ID, Chairman</td></tr><tr><td>Jonathan T. Gotianun</td><td>NED, Member</td></tr><tr><td>Efren C. Gutierrez</td><td>NED, Member</td></tr></table>	Name	Type of Directorship	Val Antonio B. Suarez	ID, Chairman	Jonathan T. Gotianun	NED, Member	Efren C. Gutierrez	NED, Member	-
Name	Type of Directorship										
Val Antonio B. Suarez	ID, Chairman										
Jonathan T. Gotianun	NED, Member										
Efren C. Gutierrez	NED, Member										
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 full profiles of the above-mentioned directors, including their professional qualifications and technical expertise, are disclosed on Page 15 of the Company’s Information Statement and on Page 33 of the 2017 Annual Report, both documents are accessible at the Company’s website.</p>	-								
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Non-compliant	Atty. Suarez also acts as the Chairman of the Related-Party Transactions & Corporate Governance Committee.	The Company only has two (2) IDs at present. Both the ARMOC and the Related-Party Transactions & Corporate Governance Committee require the committee chairman to be an independent director.								
Supplement to Recommendation 3.2											
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	Under Part III B (2) of the Revised Manual, the ARMOC shall evaluate and determine non-audit work by external auditor and keep under review the non-audit fees paid to	-								

		the external auditor both in relation to their significance to the auditor and in relation to the Company’s total expenditure on consultancy. Any non-audit work should likewise be disclosed in the Annual Report.									
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Non-compliant		With respect to the financial audit for the year 2017, the external audit team presented its report/s or findings and responded to queries of the ARMOC without interference from Management.								
Optional: Recommendation 3.2											
1. Audit Committee meets at least four (4) times during the year.	Compliant	Please refer to Page 33 of the Company’s 2017 Annual Report.									
2. Audit Committee approves the appointment and removal of the internal auditor.	Compliant	For the year 2017, the ARMOC recommended the reappointment of SGV as the Company’s External Auditor.									
Recommendation 3.3											
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	Part III B (1) of the Revised Manual mandates the Board to constitute a Corporate Governance Committee. Its duties and key functions are discussed in further detail on Page 11 of the Company’s Revised Manual.	-								
2. Corporate Governance Committee is composed of at least three (3) members, all of whom should be independent directors.	Non-compliant	As of 20 April 2018, the composition of the RPT and CG Committee is as follows:	The Company only has two (2) IDs at present.								
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	<table><tr><th>Name</th><th>Type of Directorship</th></tr><tr><td>Val Antonio B. Suarez</td><td>ID, Chairman</td></tr><tr><td>Lamberto U. Ocampo</td><td>ID, Member</td></tr><tr><td>Efren C. Gutierrez</td><td>NED, Member</td></tr></table> <p>The full profiles of the above-mentioned directors, including their professional qualifications and technical expertise, are disclosed on Page 15 of the Company’s Information Statement, which is accessible at the Company’s website.</p>	Name	Type of Directorship	Val Antonio B. Suarez	ID, Chairman	Lamberto U. Ocampo	ID, Member	Efren C. Gutierrez	NED, Member	-
Name	Type of Directorship										
Val Antonio B. Suarez	ID, Chairman										
Lamberto U. Ocampo	ID, Member										
Efren C. Gutierrez	NED, Member										

Optional: Recommendation 3.3.											
1. Corporate Governance Committee meets at least twice during the year.											
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	Part III B (2) of the Revised Manual mandates the Board to constitute an Audit and Risk Management Oversight Committee (“ARMOC”). Its duties and key functions are discussed in further detail on Page 12 of the Company’s Revised Manual.	-								
2. BROC is composed of at least three (3) members, the majority of whom should be independent directors, including the Chairman.	Non-compliant	As of 20 April 2018, the composition of the ARMOC is as follows: <table><tr><th>Name</th><th>Type of Directorship</th></tr><tr><td>Val Antonio B. Suarez</td><td>ID, Chairman</td></tr><tr><td>Jonathan T. Gotianun</td><td>NED, Member</td></tr><tr><td>Efren C. Gutierrez</td><td>NED, Member</td></tr></table> The full profiles of the above-mentioned directors, including their professional qualifications and technical expertise, are disclosed on Page 15 of the Company’s Information Statement, which is accessible at the Company’s website.	Name	Type of Directorship	Val Antonio B. Suarez	ID, Chairman	Jonathan T. Gotianun	NED, Member	Efren C. Gutierrez	NED, Member	The Company only has two (2) IDs at present. Moreover, it must be noted that the Board merged the functions of the Audit Committee with the Board Risk Oversight Committee.
Name	Type of Directorship										
Val Antonio B. Suarez	ID, Chairman										
Jonathan T. Gotianun	NED, Member										
Efren C. Gutierrez	NED, Member										
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Non-compliant	Atty. Suarez also acts as the Chairman of the RPT & Corporate Governance Committee.	The Company only has two (2) IDs at present. Both the ARMOC and the RPT & Corporate Governance Committee require the committee chairman to be an independent director.								
4. At least one (1) member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant	All three (3) members of the ARMOC have relevant knowledge and experience on risk and risk management.	-								
Recommendation 3.5											
1. Board establishes a Related Party Transactions (“RPT”) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	Part III B (3) of the Revised Manual mandates the Board to constitute a RPT Committee. Its duties and key functions are discussed in further detail on Page 14 of the	-								

		Company's Revised Manual. During the organizational meeting of the Board on 20 April 2018, the Board decided to merge the functions of the Corporate Governance Committee and the RPT Committee.									
2. RPT Committee is composed of at least three (3) non-executive directors, two (2) of whom should be independent, including the Chairman.	Compliant	As of 20 April 2018, the composition of the RPT and CG Committee is as follows: <table><tr><th>Name</th><th>Type of Directorship</th></tr><tr><td>Val Antonio B. Suarez</td><td>ID, Chairman</td></tr><tr><td>Lamberto U. Ocampo</td><td>ID, Member</td></tr><tr><td>Efren C. Gutierrez</td><td>NED, Member</td></tr></table> The full profiles of the above-mentioned directors, including their professional qualifications and technical expertise, are disclosed on Page 15 of the Company's Information Statement, which is accessible at the Company's website.	Name	Type of Directorship	Val Antonio B. Suarez	ID, Chairman	Lamberto U. Ocampo	ID, Member	Efren C. Gutierrez	NED, Member	-
Name	Type of Directorship										
Val Antonio B. Suarez	ID, Chairman										
Lamberto U. Ocampo	ID, Member										
Efren C. Gutierrez	NED, Member										
Recommendation 3.6											
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	The mandate of the Board Committees are set forth in detail in the Company's Revised Manual on Corporate Governance. In order to measure the performance of the Board of Directors, on an annual basis, the Board and all Board Committees of the Company shall accomplish the Self-Assessment Sheets. The results shall be consolidated and presented by the Compliance Officer to the Board through the Corporate Governance Committee	-								
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant		-								
3. Committee Charters were fully disclosed on the company's website.	Compliant		-								
Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.											
Recommendation 4.1											
1. The Directors attend and actively participate in all	Compliant	Part III A (6) of the Revised Manual provides that the	-								

meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.		members of the Board should attend its regular and special meetings in person or through teleconferencing conducted in accordance with the rules and regulations of the SEC. The attendance of the board members for the meetings held in 2017 is presented on Page 31 of the Company's 2017 Annual Report, which is accessible at the Company's website.	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	Directors are furnished with materials for meetings of the Board and the Committee for their review prior to the date of the meeting.	-
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	The discussions, clarifications and explanations that take place during board meetings are sufficiently covered by minutes.	-
Recommendation 4.2			
1. Non-executive directors concurrently serve in a maximum of five (5) publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	Compliant	Part III A (1) of the Revised Manual provides that the non-executive directors may concurrently serve as director in up to a maximum of five (5) publicly-listed companies. The disclosures on the directorships of the Company's directors in both listed and non-listed companies may be found in the Company's 2017 Annual Report and the Information Statement. Both documents are accessible at the Company's website.	-
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	Compliant	For the year 2017, no member of the Board accepted new directorships in any company outside the group.	-
Optional: Principle 4			
1. Company does not have any executive director who serves in more than two (2) boards of listed companies outside of the group.	Compliant	The three (3) executive directors of the Company, namely: (i) L. Josephine Gotianun-Yap; (ii) Michael Edward T. Gotianun and (iii) Francis Nathaniel C. Gotianun do not serve in the boards of any listed companies outside of the	

		Filinvest Group.	
2. Company schedules board of directors' meetings before the start of the financial year.	Compliant	The Company sets the meetings of the board of directors at the start of the financial year.	
3. Board of directors meets at least six (6) times during the year.	Compliant	The Company holds regular quarterly meetings, a pre-shareholders' meeting and an organizational meeting.	
4. Company requires a minimum quorum of at least 2/3 for board decisions.	Non-compliant		The Company's By-Laws follows the provision of the Corporation Code of the Philippines which provides that a majority of the number of directors fixed in the Articles of Incorporation shall constitute a quorum for the transaction of business at any meeting (Article III, Section 8 of the By-Laws).

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

Recommendation 5.1

1. The Board has at least three (3) independent directors or such number as to constitute one-third of the board, whichever is higher.	Non-compliant		<p>Article III, Section 4 of the Company's By-Laws provides that the Board shall have at least two (2) independent directors or at least twenty percent (20%) of the total number of directors in the Board.</p> <p>The Company complies with the applicable provision of the Securities Regulation Code which requires publicly-listed companies to elect at least two (2) IDs or such number as to constitute twenty percent (20%) of the entire membership, whichever is less.</p>
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Recommendation 5.2

1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	The full profiles of the two (2) IDs, namely: (i) Atty. Val Antonio B. Suarez and (ii) Mr. Lamberto U. Ocampo, as well as their professional qualifications and technical	-
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		expertise, are disclosed on Page 16 of the Company's Information Statement, which is accessible at the Company's website.	
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	Part III A of the Revised Manual provides that the Board shall act as an independent check on management.	-
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine (9) years (reckoned from 2012).	Compliant	Part III A (9) of the Revised Manual provides that ID may serve for a maximum cumulative term of nine (9) years. Atty. Val Antonio B. Suarez was first elected as ID on 08 May 2015. Meanwhile, Mr. Lamberto U. Ocampo was first elected as ID on 30 May 2002. Pursuant to SEC Memorandum No. 09, Series of 2011, all previous terms served by the Company's existing IDs shall not be included in the application of the term limits. Hence, both Atty. Suarez and Mr. Ocampo have yet to reach the maximum term limit of nine (9) years for IDs.	-
2. The company bars an independent director from serving in such capacity after the term limit of nine (9) years.	Compliant	Part III A (9) of the Revised Manual states that after the term limit of nine (9) years, the IDs shall be perpetually disqualified from being reelected as an ID in the Company.	-
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Compliant	The Board has yet to nominate and elect an ID whose term limit has been exceeded.	-
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	Part III A (10) of the Revised Manual provides that the roles of the Chairman and the CEO shall as far as practicable be separate to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.	-

		In compliance with this directive, Mr. Jonathan T. Gotianun serves as the Chairman of the Board; while Mrs. L. Josephine Gotianun-Yap is the President and CEO.	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	<p>The roles and responsibilities of the Chairman of the Board are discussed in detail on Article IV, Section 2 of the Company's By-Laws and further expounded on Part III A (10) of the Revised Manual. Meanwhile, the roles and responsibilities of the President and CEO are set forth under Article IV, Section 3 of the Company's By-Laws.</p> <p>Both documents are accessible at the Company's website.</p>	-
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Compliant	<p>Part III A (9) of the Revised Manual provides that in case the Chairman of the Board is not independent or the position of Chairman and Chief Executive Officer is held by one person, the Board shall designate a lead director among the independent directors.</p> <p>Atty. Suarez has been designated as the Company's lead independent director.</p>	-
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	There has not been any instance for this principle to be invoked.	-
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 director present.	Non-compliant		<p>The NEDs or IDs have not found cause or reason to conduct separate meetings with the external auditor, internal auditor or Compliance Officer without the participation executive directors.</p>
2. The meetings are chaired by the lead independent director.	Compliant		
			Discussions with the external auditor are

			usually conducted with the ARMOC, also chaired by Atty. Suarez, the Company's lead independent director.
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.	Compliant		
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	In order to measure the performance of the Board of Directors, on an annual basis, the Board and all Board Committees of the Corporation shall accomplish the Self-Assessment Sheets. The results shall be consolidated and presented by the Compliance Officer to the Board through the Corporate Governance Committee.	-
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 (3) years, the assessments are supported by an external facilitator.	Non-compliant		The Company intends to engage the services of an external facilitator to support the conduct of the assessments.
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	Appraisals of the Board and individual directors are done by the Nominations Committee. Meanwhile, appraisal of the Board Committees is carried out by the Board of Directors. The evaluation is based on the performance of duties and responsibilities set forth in the By-Laws and the Company's Revised Manual.	-
2. The system allows for a feedback mechanism from the shareholders.	Compliant	The Company has an Investor Relations Unit tasked to handle inquiries and manage relations with analysts, shareholders, investors, and the general public.	-

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	The Company's Code of Business Conduct and Ethics may be accessed at http://www.filinvestland.com/corporate-governance/code-of-business-conduct-and-ethics/ .	-
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	The Company implements and monitors compliance with the Code of Business Conduct and Ethics through its Human Relations and Administrative Services Department with assistance from the Compliance Officer, Internal Audit, business and support units.	-
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 may be accessed at http://www.filinvestland.com/corporate-governance/code-of-business-conduct-and-ethics/ .	-
Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Compliant	The Employee Manual provides that no employee shall accept gifts or lavish entertainment from customers or suppliers either for himself or his family. It further prohibits employees from soliciting or accepting personal benefits such as fees or commissions from any customer of the Company or any individual or organization doing or seeking business with the company. For this reason, bribery, accepting bribes, or unofficial solicitation of gifts and loans from customers, contractors and suppliers are considered serious offenses under the company's Code of Discipline.	-
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	All members of senior management and employees are provided with copies of the Code of Business Conduct and Ethics and internal policies, and are notified if there are any updates or revisions thereto.	-
2. Board ensures the proper and efficient implementation and monitoring of compliance with	Compliant		-

company internal policies.																		
Disclosure and Transparency																		
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.																		
Recommendation 8.1																		
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company’s financial condition, results and business operations.	Compliant	Part VI of the Revised Manual provides that all material information about the Corporation which could adversely affect its viability or the interest of its stockholders and other stakeholders should be publicly and timely disclosed in accordance with the rules and regulations of the SEC and the PSE. Such information shall include, among others, earnings results, acquisition or disposition of significant assets, off balance sheet transactions, related party transactions, and direct and indirect remuneration of members of the Board, Management and key officers, including termination and retirement. In this regard, the Company observes the reportorial requirements set by its regulatory agencies, such as the SEC and the PSE.	-															
Supplement to Recommendations 8.1																		
1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.	Compliant	<table><tr><th>Report</th><th>Date of Filing</th><th>No. of Days</th></tr><tr><td>First Quarter</td><td>15 May 2017</td><td>45 days</td></tr><tr><td>Second Quarter</td><td>14 August 2017</td><td>45 days</td></tr><tr><td>Third Quarter</td><td>13 November 2017</td><td>44 days</td></tr><tr><td>Audited Annual Financial Statements</td><td>13 April 2018</td><td>103 days</td></tr></table>	Report	Date of Filing	No. of Days	First Quarter	15 May 2017	45 days	Second Quarter	14 August 2017	45 days	Third Quarter	13 November 2017	44 days	Audited Annual Financial Statements	13 April 2018	103 days	-
Report	Date of Filing	No. of Days																
First Quarter	15 May 2017	45 days																
Second Quarter	14 August 2017	45 days																
Third Quarter	13 November 2017	44 days																
Audited Annual Financial Statements	13 April 2018	103 days																

2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	Compliant	<p>The Company's 2017 Annual Report may be accessed at http://www.filinvestland.com/wp-content/uploads/2018/04/2017-FLI-Annual-Report-FA.compressed.pdf</p> <p>The security ownership of directors, officers and beneficial owners of at least five percent (5%) security interest are likewise disclosed in the Company's Information Statement, accessible at the Company's website.</p>	-
Recommendation 8.2			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three (3) business days.	Compliant	Part VI of the Revised Manual requires all directors and officers to report any dealings in the Company's shares within three (3) business days.	-
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three (3) business days.	Compliant		-
Supplement to Recommendation 8.2			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	Compliant	<p>The security ownership of directors, officers and beneficial owners of at least five percent (5%) security interest are likewise disclosed in the Company's Information Statement, accessible at the Company's website.</p> <p>The Company's Conglomerate Map may be accessed at http://www.filinvestland.com/our-company/conglomerate-map/</p>	-
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 full profiles of the Company's board of directors including their professional qualifications, technical expertise, membership in other boards, and other executive positions, are discussed in detail on Page 8 of the Information Statement, accessible at http://www.filinvestland.com/wp-content/uploads/2018/03/FLI-Definitive-Information-Statement-.pdf</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	Compliant		-

judgment.			
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	Under Article II Section 10 of the Company’s By-Laws, directors shall receive the compensation previously determined by the Board with the approval of the stockholders, unless hereafter reduced or increased with the approval of the stockholders. As disclosed on Page 21 of the Company’s Information Statement and on the 2017 Annual Report, except for a per diem of Php50,000.00 being paid to each non-executive director for every meeting attended, there are no other arrangements for the payment of compensation or remuneration to the directors in their capacity as such. The compensations for the CEO and top four (4) highest compensated officers are likewise reported in the Information Statement and Annual Report.	-
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant		-
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant		-
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’s RPT Policy may be accessed at http://www.filinvestland.com/corporate-governance/company-policies/	-
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	As disclosed in the Company’s Audited Financial Statements for the year ended 31 December 2017, a copy of which is accessible at http://www.filinvestland.com/wp-content/uploads/2018/05/FLI-SEC-form-17-A_Dec-2017.pdf , some of the transactions that were approved pursuant to the RPT Policy are as follows: <ul style="list-style-type: none">• Interest and non-interest bearing cash advances made to and received from the parent company, Filinvest All Philippines, Inc. and other affiliates to meet liquidity and working capital requirements;• Joint expenses relating to common facilities and services used by each member of the Filinvest Group;• 50-year lease agreement with Filinvest Alabang, Inc. for the 10-hectare property on which the Festival	-

		<p>Supermall and its related structures are located; and</p> <ul style="list-style-type: none"> Management contracts with FAC and CPI. 	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	The Company's By-Laws provide that no person shall qualify or be eligible for nomination or election to the Board if he is engaged in any business which competes with or is antagonistic to that of the Corporation. There has not been any instance for this principle to be invoked.	-
Optional : Recommendation 8.5			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	Compliant	Please refer to the Company's Audited Financial Statements for the year ended 31 December 2017, a copy of which is accessible at http://www.filinvestland.com/wp-content/uploads/2018/05/FLI-SEC-form-17-A_Dec-2017.pdf	
Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occurs, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Compliant	No material fact or event has occurred involving the acquisition or disposal of significant assets which could adversely affect the viability or interests of its shareholders and other stakeholders.	-
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant	The Company secures the services of an independent third party to determine fairness of the transaction price, particularly if required by a regulatory agency.	-
Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Compliant	Part VI of the Revised Manual provides that all material information about the Corporation which could adversely affect its viability or the interest of its stockholders and other stakeholders should be publicly and timely disclosed in accordance with the rules and regulations of the SEC and the PSE.	-
Recommendation 8.7			

1. Company’s corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (“MCG”).	Compliant	A copy of the Company’s Revised Manual as of May 2017 is accessible at http://www.filinvestland.com/corporate-governance/manual-on-corporate-governance/ .	-
2. Company’s MCG is submitted to the SEC and PSE.	Compliant		-
3. Company’s MCG is posted on its company website.	Compliant		-
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 duly reports to the SEC and the PSE an updated MCG whenever there are changes in the Company’s corporate governance practices.	-
Optional: Principle 8			
1. Does the company’s Annual Report disclose the following information:		The Company’s 2017 Annual Report may be accessed at http://www.filinvestland.com/wp-content/uploads/2018/04/2017-FLI-Annual-Report-FA.compressed.pdf	-
a. Corporate Objectives	Compliant		-
b. Financial performance indicators	Compliant		-
c. Non-financial performance indicators	Compliant		-
d. Dividend Policy	Compliant		-
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant		-
f. Attendance details of each director in all directors meetings held during the year	Compliant		-
g. Total remuneration of each member of the board of directors	Compliant		-
2. The Annual Report contains a statement confirming the company’s full compliance with the Code of	Compliant		-

Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.			
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	Compliant		-
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		-
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		-

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

Recommendation 9.1

1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	Part III D (2) of the Revised Manual (Page 16) contains information on the process for approving and recommending the appointment, reappointment, removal and fees of the Company's external auditor.	-
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	For the year 2017, a total of 28,776,325,775 votes were cast in favor of the reappointment of SGV as the independent external auditor of the Company.	-
3. For the removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant	There has not been any instance for this principle to be invoked.	-

Supplement to Recommendation 9.1

1. Company has a policy of rotating the lead audit	Compliant	Part III D of the Revised Manual provides that the external	-
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partner every five (5) years.		auditor should be rotated or changed every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the Company, should be changed with the same frequency.	
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.	Compliant	The Company's ARMOC Charter may be accessed at http://www.filinvestland.com/wp-content/uploads/2014/12/Audit-Committee-Charter.pdf .	-
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant		-
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 Company's ARMOC Charter may be accessed at http://www.filinvestland.com/wp-content/uploads/2014/12/Audit-Committee-Charter.pdf .	-
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	The Company's ARMOC Charter may be accessed at http://www.filinvestland.com/wp-content/uploads/2014/12/Audit-Committee-Charter.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	As disclosed on Page 26 of the Company's Information Statement, for each of the last two fiscal years, SGV did not render services for tax accounting, compliance, advice	-

		and planning for which it billed the Company the corresponding professional fees.	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	Compliant	The Company's ARMOC Charter may be accessed at http://www.filinvestland.com/wp-content/uploads/2014/12/Audit-Committee-Charter.pdf .	-
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	As disclosed on Page 26 of the Company's Information Statement, SGV did not render any non-audit services to the Company in 2017.	
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	SGV is duly accredited by the SEC under Group A category. Its address and contact details are as follows: 6760 Ayala Avenue 1226 Makati City, Philippines Tel: (632) 891 0307 Fax: (632) 819 0872 Ms. Dhonabee Seneres acted as the audit engagement partner.	-
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).		Not applicable.	-
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Compliant	The Company follows a policy of environmental conservation, in parallel with economic and social efforts, in line with its management strategy. The main focus is to reduce operating expenses through energy conservation and paper recycling.	-

2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant		-
Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.			
Recommendation 11.1			
1. Company has media and analysts’ briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	Compliant	The Company’s Investors Relations Unit conducts quarterly analysts’ briefings coinciding with the release/disclosure of quarterly financial statements and releases press statements on quarterly performance and major developments in the Company. It also engages in one-on-one meetings, conference calls, site visits, as requested by investors and analysts.	-
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:		Please refer to http://www.filinvestland.com	-
a. Financial statements/reports (latest quarterly)	Compliant		
b. Materials provided in briefings to analysts and media	Compliant		
c. Downloadable annual report	Compliant		
d. Notice of ASM and/or SSM	Compliant		
e. Minutes of ASM and/or SSM	Compliant		
f. Company’s Articles of Incorporation and By-Laws	Compliant		
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	Compliant	Please refer to http://www.filinvestland.com	-

Internal Control System and Risk Management Framework

Principle 12: To ensure 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	The Company's enterprise risk management framework may be accessed at	-
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	http://www.filinvestland.com/corporate-governance/enterprise-risk-management/ The Company's internal control system and enterprise risk management system are being reviewed on an annual basis.	

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	Part III F of the Revised Manual mandates the Compliance Officer to identify and monitor compliance with the rules and regulations of regulatory agencies, and take appropriate corrective measures to address all regulatory issues and concerns in collaboration with other departments.	-
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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	The Company is in the process of developing a Privacy Manual which shall provide for breach management protocols.	
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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	The Company has an independent Internal Audit Department.	-
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Recommendation 12.3

1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	On 20 April 2018, Mr. Edgardo C. Raymundo was appointed as the Company's Chief Audit Executive.	-
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2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	Compliant	A copy of the Company’s Internal Audit Charter is accessible at http://www.filinvestland.com/corporate-governance/board-committees/board-committee-charters/ .	-
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.		Not applicable.	-
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	The Company’s Board created the ARMOC which is primarily responsible for developing and overseeing the Company’s risk management program.	-
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	Compliant	The Company engages third-party consultants for risk appraisals and insurance advisory services.	-
Recommendation 12.5			
1. In managing the company’s Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	Effective 20 April 2018, Ms. Ana Venus A. Mejia shall act as the Company’s CRO. Her professional qualifications are discussed on Page 10 of the Company’s Information Statement, accessible at the Company’s website.	-
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant		-
Additional Recommendation to Principle 12			
1. Company’s Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Non-compliant		The Company undertakes to submit a separate certification that it has in place an effective and sound internal audit, control and compliance system.
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	The shareholders' rights are disclosed on Page 20 of the Revised Manual.	-
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	A copy of the Revised Manual may be accessed at http://www.filinvestland.com/corporate-governance/manual-on-corporate-governance/	-
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	Compliant	The Company's Amended Articles of Incorporation provides that each common share shall be entitled to one vote.	-
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	The Company issued two (2) classes of shares: (i) common shares with a par value of Pone Pesos (Php1.00) each and (ii) voting, cumulative, and non-redeemable preferred shares with a par value of One Centavo (Php0.01) each. The preferred shares shall have preference over the common shares in case of liquidation or dissolution of the Company.	-
3. Board has an effective, secure, and efficient voting system.	Compliant	No particular voting system is in place for matters requiring board approval but the individual director is given one vote each and every director is free and encouraged to exercise independent judgment.	-
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.	Non-compliant		The exercise by the majority or controlling shareholders of their voting power prevails over the votes of the minority shareholders. This is the risk that minority shareholders would have to live with. The Company, however, respects the rights of minority shareholders by inviting them to the Annual Shareholders' Meeting and allowing them to ask questions relating to the Company's business operations. Minority shareholders are also given the

			opportunity to propose or nominate qualified persons for selection as directors. The Company has also formed a strong and focused Investor Relations Unit which provides a transparent and open line of communication with its shareholders.
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Compliant	Article II Section 2 of the Company's By-Laws allows for the holding of a special meeting of stockholders' upon the written request of stockholders representing a majority of the outstanding capital stock.	-
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	Part VII of the Revised Manual lays down the rights of minority shareholders.	-
7. Company has a transparent and specific dividend policy.	Compliant	Pages 40-41 of the Company's 2017 Annual Report provides a discussion on the dividend policy and payment schedule of the dividends declared for the year 2017.	-
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.			
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least twenty-eight (28) days before the meeting.	Compliant	<p>The notice and agenda for the 2017 Annual Shareholders' Meeting were sent out on 08 February 2017. The Information Statement of the year 2017 was filed with the SEC and the PSE on 24 February 2017. Both documents were issued 23 days prior to the date of the annual meeting.</p> <p>No shareholders' action on the approval of remuneration or any changes therein were included in the agenda of the meeting.</p> <p>Notice of the Annual Shareholders' Meeting for the year</p>	-

		2017 may be accessed at http://www.filinvestland.com/wp-content/uploads/2017/02/FLI-NOTICE-OF-ASHM-2017.pdf	
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:		Notice and agenda of the Annual Shareholders' Meeting for the year 2017 may be accessed at http://www.filinvestland.com/wp-content/uploads/2017/02/FLI-NOTICE-OF-ASHM-2017.pdf	-
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant	The notice states that the Company is not soliciting proxies.	
b. Auditors seeking appointment/re-appointment	Compliant		
c. Proxy documents			
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	Compliant	Notice and agenda of the Annual Shareholders' Meeting for the year 2017 may be accessed at http://www.filinvestland.com/wp-content/uploads/2017/02/FLI-NOTICE-OF-ASHM-2017.pdf	-
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	Results of the votes taken during the 2017 Annual Shareholders' Meeting were incorporated in the minutes of the meeting, which may be accessed at http://www.filinvestland.com/wp-content/uploads/2017/04/MINUTES-OF-FLI-ASHM-2017.pdf	-
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five (5) business days from the end of the meeting.	Compliant	A copy of the minutes of the 2017 Annual Shareholders' Meeting, indicating the voting results for all agenda items, including the approving, dissenting and abstaining votes, may be accessed at http://www.filinvestland.com/wp-content/uploads/2017/04/MINUTES-OF-FLI-ASHM-2017.pdf .	-

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	Ms. Dhonabee Seneres, SGV Partner-in-Charge, together with her audit team, was present to answer shareholders questions during the 2017 ASM of the Company.	-
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	Part VII of the Revised Manual provides that it is the duty of the directors to promote shareholder rights, remove impediments to the exercise of shareholders' rights and allow possibilities to seek redress for violation of their rights.	-
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	The Company encourages and promotes the amicable settlement of disputes or difference between the Company and stockholders, third parties and regulatory authorities. If the conflict is material or substantial in nature, it is referred by the Corporate Secretary to the Board of Directors.	-
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	The Company's Investor Relations Officer is Ms. Melissa C. Ortiz. Her contact details are as follows: Tel. No. 918 8188 loc. 6143 Email: melissa.ortiz@filinvestland.com	-
2. IRO is present at every shareholder's meeting.	Compliant	Ms. Ortiz was present during the 2017 Annual Shareholders' Meeting.	-
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant	The Company has no anti-takeover measures or similar devices that may 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.	Compliant	The company's public float as of 31 December 2017 is 38.81%.	-
Optional: Principle 13			
1. Company has policies and practices to encourage	Compliant	The Company's Investors Relations Unit conducts quarterly	

shareholders to engage with the company beyond the Annual Stockholders' Meeting		analysts' briefings coinciding with the release/disclosure of quarterly financial statements and releases press statements on quarterly performance and major developments in the Company. It also engages in one-on-one meetings, conference calls, site visits, as requested by investors and analysts.	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.			
Duties to Stakeholders			
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	Part II A of the Revised Manual requires the Board to identify the Corporation's stakeholders in the community in which it operates or are directly affected by its operations and formulate a clear policy of accurate, timely and effective communication with them.	-
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	Part II A of the Revised Manual requires the Board to identify the Corporation's stakeholders in the community in which it operates or are directly affected by its operations and formulate a clear policy of accurate, timely and effective communication with them.	-
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	Part VII of the Revised Manual provides that it is the duty of the directors to promote shareholder rights, remove impediments to the exercise of shareholders' rights and allow possibilities to seek redress for violation of their rights. The Company's policy on whistleblowing may be accessed at http://www.filinvestland.com/corporate-governance/company-policies/	-

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	Part II A (3) of the Revised Manual mandates the board to establish and maintain an alternative dispute resolution system in the Corporation that can amicably settle conflicts or differences between the Corporation and its stockholders, and the Corporation and third parties, including the regulatory authorities.	-
Additional Recommendations to Principle 14			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.			-
2. Company respects intellectual property rights.	Compliant	The Company registers its intellectual property rights with the Intellectual Property Office and respects the intellectual property rights of others.	-
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	Compliant	The Company has established a Customer Care Unit tasked to address customer complaints or suggestions, conduct customer satisfaction surveys and communicate with customers via effective channels.	
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Compliant	The suppliers and contractors are required to undergo an accreditation and bidding process.	
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	The Company's employees may avail of external training programs or seminars relevant to the performance of their duties. The employees may also participate in various trainings and programs arranged by the Human Resources Department.	-

Supplement to Recommendation 15.1			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	Compliant	The Company conducts a yearly performance appraisal of its employees and grants merit increases depending on the results of their performance appraisal.	-
2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	The Company's employee's safety, health and welfare policies are embodied in a Safety Manual which is made available to all employees. This Manual includes policies on occupational, safety, and health programs, safety & discipline, drugs and alcohol-free workplace and sexual harassment as well as emergency action plan, fire safety and prevention and incident reporting and investigation mechanisms.	-
3. Company has policies and practices on training and development of its employees.	Compliant	The Company's employees may avail of external training programs or seminars relevant to the performance of their duties. The employees may also participate in various trainings and programs arranged by the Human Resources Department.	-
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	The Employee Manual provides that no employee shall accept gift or lavish entertainment from customers or suppliers either for himself or his family. It further prohibits employees from soliciting or accepting personal benefits such as fees or commission from any customer of the Company or any individual or organization doing or seeking business with the company. For this reason, bribery, accepting bribes, or unofficial solicitation of gifts and loans from customers, contractors and suppliers are considered serious offenses under the company's Code of Discipline.	-
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	All members of senior management and employees are provided with copies of the Employee Manual, and are notified if there are any updates or revisions thereto. These HR rules are likewise accessible through the OMS via	-

		local network.							
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	The Employee Manual provides that no employee shall accept gift or lavish entertainment from customers or suppliers either for himself or his family. It further prohibits employees from soliciting or accepting personal benefits such as fees or commission from any customer of the Company or any individual or organization doing or seeking business with the company. For this reason, bribery, accepting bribes, or unofficial solicitation of gifts and loans from customers, contractors and suppliers are considered serious offenses under the company’s Code of Discipline.	-						
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	The Company’s policy on whistle-blowing may be accessed at http://www.filinvestland.com/corporate-governance/company-policies/	-						
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	Any illegal or unethical behavior may be reported to the Company’s Human Resources Department.	-						
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant								
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	Among the corporate sustainability and responsibility projects of the Company are as follows: <table><tr><th>Beneficiary</th><th>Initiative</th></tr><tr><td>Pintong Bukawe Elementary School</td><td>Donation of slippers, umbrellas and groceries to 570 students</td></tr><tr><td>Kanlungan ni Maria (Home</td><td>Donation of groceries and</td></tr></table>	Beneficiary	Initiative	Pintong Bukawe Elementary School	Donation of slippers, umbrellas and groceries to 570 students	Kanlungan ni Maria (Home	Donation of groceries and	-
Beneficiary	Initiative								
Pintong Bukawe Elementary School	Donation of slippers, umbrellas and groceries to 570 students								
Kanlungan ni Maria (Home	Donation of groceries and								


		<table><tr><td>for the Aged)</td><td>toiletries</td></tr><tr><td>Children Development Center, Pintong Bukawe</td><td>Donation of groceries to students</td></tr><tr><td>Bloodletting Activity</td><td></td></tr><tr><td>Padre Pio's Home for Children (Tugbok, Davao City)</td><td>Outreach program</td></tr><tr><td>The House of Joshua (Cagayan de Oro City)</td><td>Outreach program</td></tr><tr><td>Children's Joy Foundation</td><td>Outreach program</td></tr></table> <p>The Company's corporate social responsibility activities are discussed in further detail on Pages 25-26 of the 2017 Annual Report, which may be accessed at http://www.filinvestland.com/wp-content/uploads/2018/04/2017-FLI-Annual-Report-FA.compressed.pdf.</p>	for the Aged)	toiletries	Children Development Center, Pintong Bukawe	Donation of groceries to students	Bloodletting Activity		Padre Pio's Home for Children (Tugbok, Davao City)	Outreach program	The House of Joshua (Cagayan de Oro City)	Outreach program	Children's Joy Foundation	Outreach program	
for the Aged)	toiletries														
Children Development Center, Pintong Bukawe	Donation of groceries to students														
Bloodletting Activity															
Padre Pio's Home for Children (Tugbok, Davao City)	Outreach program														
The House of Joshua (Cagayan de Oro City)	Outreach program														
Children's Joy Foundation	Outreach program														
Optional: Principle 16															
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	Compliant		-												
2. Company exerts effort to interact positively with the communities in which it operates	Compliant	The Company's corporate social responsibility activities are discussed in further detail on Pages 25-26 of the 2017 Annual Report, which may be accessed at http://www.filinvestland.com/wp-content/uploads/2018/04/2017-FLI-Annual-Report-FA.compressed.pdf .	-												

Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Mandaluyong on 28th day of May 2018.

SIGNATURES


JONATHAN T. GOTIANUN
Chairman of the Board


L. JOSEPHINE GOTIANUN-YAP
Chief Executive Officer and President


VAL ANTONIO B. SUAREZ
Independent Director


LAMBERTO U. OCAMPO
Independent Director


NELSON M. BONA
Compliance Officer


ELMA CHRISTINE R. LEOGARDO
Corporate Secretary

MAY 30 2018

SUBSCRIBED AND SWORN to before me this _____ in Mandaluyong City, affiants exhibiting to me their competent evidence of identities, as follows:

NAME	GOVERNMENT-ISSUED I.D.	DATE AND PLACE OF ISSUANCE
Jonathan T. Gotianun	Philippine Passport No. P5509919A	Valid until 02 January 2028 / DFA Manila
L. Josephine Gotianun-Yap	Philippine Passport No. P1463447A	07 January 2017 / DFA NCR East
Val Antonio B. Suarez	Philippine Passport No. EC3246678	23 January 2015 / DFA Manila
Lamberto U. Ocampo	Senior Citizen's ID No. 30-229	07 May 2005 / Makati City
Nelson M. Bona	Driver's License No. N11-70-029982	27 July 2017 / Land Transportation Office
Elma Christine R. Leogardo	Driver's License No. N26-13-020722	Valid until 26 October 2018 / Land Transportation Office

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Book No. 28
Series of 20 18;

JOVEN G. SEVILLANO
NOTARY PUBLIC FOR CITY OF MANDALUYONG
COMMISSION NO. 0285-17 UNTIL DECEMBER 31, 2018
ROLL NO. 53970
IBP LIFETIME NO. 011302; 12-28-12; RIZAL
PTR NO. 3388587; 1-3-18; MANDALUYONG
MCLE COMPLIANCE NO. IV - 0014673 14 APRIL 2019
METRO MART COMPLEX, MANDALUYONG CITY