

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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

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

Jose Ma. C. Ordenes / Atty. Earl Christian L. Lerio
Contact Person

Contact Person

(02) 899-44-01
Company Telephone Number

Company Telephone Number

1 2 3 1
Month Day

Fiscal Year

I	A	C	G	R
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FORM TYPE

FORM TYPE

08
Month

ANNUAL MEETING

Secondary License Type, if Applicable

C	G	F	D
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Dept. Requiring this Doc.

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Amended Articles Number/Section

360 (as of June 30, 2020)
Total No. of Stockholders

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

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SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **2019**
2. SEC Identification Number **168063**
3. BIR Tax Identification No. **000-065-142**
4. Exact name of issuer as specified in its charter **PRYCE CORPORATION**
5. **Philippines**
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. **17th Floor PRYCE CENTER 1179 Chino Roces Avenue corner Bagtikan Street, Makati City 1203**
Address of principal office Postal Code
8. **(+632) 8899-4401**
Issuer's telephone number, including area code
9. **N/A**
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
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	1. Provide information or link/reference to a document containing information on the following: a. <u>Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors-</u>	
2. Board has an appropriate mix of competence and expertise.	COMPLIANT	<u>ANNUAL REPORT FOR 2019</u> pages 39-43 http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf	
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	COMPLIANT	b. <u>Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance -</u> <u>REVISED MANUAL ON CORPORATE GOVERNANCE</u> http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf <u>PRELIMINARY INFORMATION STATEMENT FOR 2019</u> <u>Pages 6-11</u> file:///C:/Users/user/Downloads/2019%20Preliminary%20IS_PSE's.pdf	

Recommendation 1.2

<p>1. Board is composed of a majority of non-executive directors.</p>	COMPLIANT	<p>1. <u>Identify or provide link/reference to a document identifying the directors and the type of their directorships.</u></p> <p><u>ANNUAL REPORT FOR 2019</u> <i>pages 39-43</i> http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p> <p><u>REVISED MANUAL ON CORPORATE GOVERNANCE</u> http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf</p> <p><u>GENERAL INFORMATION SHEET 2019</u> <i>page 3</i> http://pryce.com.ph/file-manager/files/files/GIS%20PCORP.pdf</p> <p><u>PRELIMINARY INFORMATION STATEMENT FOR 2019</u> <u>Pages 6-11</u> file:///C:/Users/user/Downloads/2019%20Preliminary%20IS_PSE's.pdf</p>	
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Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	NON-COMPLIANT		<i>Relative to corporate governance, all new directors are provided a copy of the Company's Revised Manual on Corporate Governance by way of orientation to the corporate governance practices adopted and implemented by the Company. There is no specific orientation and continuous training policy or program considering the members' qualifications, length of their directorship in the Board and in the boards of other companies, and/or business experience and competence.</i>
2. Company has an orientation program for first time directors.	NON-COMPLIANT		
3. Company has relevant annual continuing training for all directors.	NON-COMPLIANT		

Recommendation 1.4			
1. Board has a policy on board diversity.	COMPLIANT	<p><u>1. Provide information on or link/reference to a document containing information on the company's board diversity policy.</u></p> <p><i>The Nomination Committee ensures that the members of the Board are competent and qualified, regardless of gender. The Committee pre-screens and shortlists all candidates nominated to become a member of the board of directors in accordance with the Company's director qualifications and disqualifications</i></p> <p><u>2. Indicate gender composition of the board.</u></p> <p><i>The Board is currently composed of seven male directors.</i></p> <p><u>PPC WEBSITE</u> http://www.pryce.com.ph/about-us/board-of-directors/</p> <p><u>GENERAL INFORMATION SHEET</u> Page 6 http://pryce.com.ph/file-manager/files/files/GIS%20PCORP.pdf</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.		Provide information on or link/reference to a document containing the company's policy and measureable objectives for implementing board diversity. Provide link or reference to a progress report in achieving its objectives.	
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	COMPLIANT	<u>1. Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.</u> <i>The Corporate Secretary is Mr. Feliciano B. Hatud who is not a member of the Board, while the Compliance Officers are Mr. Jose Ma. C. Ordenes and Atty. Earl Christian L. Lerio.</i> <u>ANNUAL REPORT FOR 2019</u> pages 40-43 http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf	
2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT	<u>GENERAL INFORMATION SHEET 2019</u> page 3 http://pryce.com.ph/file-manager/files/files/GIS%20PCORP.pdf	
3. Corporate Secretary is not a member of the Board of Directors.	COMPLIANT	<u>PRELIMINARY INFORMATION STATEMENT FOR 2019</u> <u>Pages 6-11</u> file:///C:/Users/user/Downloads/2019%20Preliminary%20IS_PSE's.pdf	
4. Corporate Secretary attends training/s on corporate governance.	COMPLIANT	<i>The then incumbent Corporate Secretary in 2019 was scheduled to attend refresher training on Corporate Governance in 2019 but he passed away; his formal & approved replacement came much later in June 2019 (following his election at the reorganizational meeting right after the stockholders' meeting in June 28, 2019). A scheduling of the training of the new corporate secretary was done in early 2020 but did not push through due to the coronavirus pandemic in March 2020.</i>	

Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.		Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	COMPLIANT	<p><u>1. Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.</u></p> <p><i>The Compliance Officers are Mr. Jose Ma. C. Ordenes, a Senior Vice President, and Atty. Earl Christian Lerio, who are not members of the Board, while the Corporate Secretary is Mr. Feliciano B. Hatud. Atty. Kristie Xyla R. Amaro-Gonzalvo served as Compliance Officer until May 16, 2019.</i></p> <p><u>ANNUAL REPORT FOR 2019</u> pages 40-43 http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p>	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	COMPLIANT	<p><u>GENERAL INFORMATION SHEET 2019</u> page 3 http://pryce.com.ph/file-manager/files/files/GIS%20PCORP.pdf</p>	
3. Compliance Officer is not a member of the board.	COMPLIANT	<p><u>PRELIMINARY INFORMATION STATEMENT FOR 2019</u> <u>Pages 6-11</u> file:///C:/Users/user/Downloads/2019%20Preliminary%20IS_PSE's.pdf</p>	
4. Compliance Officer attends training/s on corporate governance.	COMPLIANT	<i>The Compliance Officers continuously attend trainings on corporate governance over the years, the last being the Annual Disclosure Rules Seminar held on November 8, 2019 and organized by the Philippine Stock Exchange.</i>	

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

Recommendation 2.1

<p>1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.</p>	<p>COMPLIANT</p>	<p>1. Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)</p> <p><u>PRELIMINARY INFORMATION STATEMENT FOR 2019</u> <u>Pages 16-18</u> file:///C:/Users/user/Downloads/2019%20Preliminary%20IS_PSE's.pdf</p> <p><i>Furthermore, the Company believes that one of the most important gauges of the performance of the Board is the performance of the Company.</i></p> <p><u>AUDITED FINANCIAL STATEMENTS FOR 2019</u> <u>(ATTACHED TO THE ANNUAL REPORT)</u> http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p>	
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Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	COMPLIANT	<p>1. Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting)</p> <p>Indicate frequency of review of business objectives and strategy</p> <p><u>PRELIMINARY INFORMATION STATEMENT FOR 2019</u> <u>Pages 16-18</u> file:///C:/Users/user/Downloads/2019%20Preliminary%20IS_PSE's.pdf</p> <p><i>Furthermore, the Company believes that one of the most important gauges of the performance of the Board is the performance of the Company.</i></p>	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	COMPLIANT	<p><u>AUDITED FINANCIAL STATEMENTS FOR 2019</u> <u>(ATTACHED TO THE ANNUAL REPORT)</u> http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p> <p><i>Review and development of business objectives and strategies are conducted as often as necessary.</i></p>	
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	COMPLIANT	<p>1. Indicate or provide link/reference to a document containing the company's vision, mission and core values.</p> <p>Indicate frequency of review of the vision, mission and core values.</p> <p><u>PPC COMMITMENT AND MISSION</u> http://pryce.com.ph/home/</p> <p><i>The Company's vision, mission and core values are reviewed as needed.</i></p>	

<p>2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.</p>	<p>COMPLIANT</p>	<p>1. Provide information on or link/reference to a document containing information on the strategy execution process.</p> <p><i>The Company's Annual Report, particularly in the Business and General Information as well as the Operational and Financial Information sections, provides a glimpse of the strategy execution process of the Company.</i></p> <p><u>ANNUAL REPORT FOR 2019</u> http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p>	
<p>Recommendation 2.3</p>			
<p>1. Board is headed by a competent and qualified Chairperson.</p>	<p>COMPLIANT</p>	<p>1. Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications</p> <p><u>ANNUAL REPORT FOR 2019</u> pages 40-43 http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p> <p><u>PRELIMINARY INFORMATION STATEMENT FOR 2019</u> <u>Pages 8-9</u> file:///C:/Users/user/Downloads/2019%20Preliminary%20IS_PSE's.pdf</p>	

Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	<p>1. <u>Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation.</u></p> <p><i>The Nomination Committee of the Board is in charge of succession planning for directors.</i></p> <p><u>COMPANY BY-LAWS</u> Article III, Section 3 and Article IV, Section 12 http://pryce.com.ph/file-manager/files/amended/Sec%20Registration%20Certificate%20%26%20By-Laws Sept %207%2C%201989.pdf</p> <p><u>REVISED MANUAL ON CORPORATE GOVERNANCE</u> pages 9-13 http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf</p> <p><i>Succession planning for key officers and management is a task of the Board as a whole who appoints the officers, the officers themselves who appoint their respective immediate subordinates, division heads, or deputies, as well as the Administration/Human Resources Department. Typically, division heads under key officers and managers are profiled for required qualifications and competencies and their performance periodically assessed against these requirements. Qualified individuals are primed for the position through adequate knowledge and skills transfer until succession would be necessary. The Board will then assess the performance of recommended candidates for officer or management member.</i></p>	

2. Board adopts a policy on the retirement for directors and key officers.	COMPLIANT	<p><u>1. Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation.</u></p> <p><i>The retirement policy of the Company (as well as of the Pryce Group) is disclosed in the Company's audited financial statements.</i></p> <p><u>AUDITED FINANCIAL STATEMENTS FOR 2019 (ATTACHED TO THE ANNUAL REPORT)</u> Note 2, pages 24-25 http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p>	
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	COMPLIANT	<p><u>1. Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.</u></p> <p><i>The Company compensates and incentivizes managers and officers according to their sales performance. The Compensation and Remuneration Committee of the Board is in charge of fixing remuneration packages consistent with the objectives and strategies of the Company. A director cannot decide his or her own remuneration.</i></p>	
2. Board adopts a policy specifying the relationship between remuneration and performance.	COMPLIANT	<p><u>ANNUAL REPORT FOR 2019</u> page 6 and 47 http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p>	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT	<p><u>REVISED MANUAL ON CORPORATE GOVERNANCE</u> pages 13-14 http://pryce.com.ph/file-manager/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf</p>	

Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	COMPLIANT	<p><u>1. Provide proof of board approval</u></p> <p><u>COMPANY BY-LAWS</u> Article III, Section 8 and Article IV, Section 13 http://pryce.com.ph/file-manager/files/amended/Sec%20Registration%20Certificate%20%26%20By-Laws_Sept_%207%2C%201989.pdf</p>	
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.		Provide information on or link/reference to a document containing measurable standards to align performance-based remuneration with the long-term interest of the company.	

Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	COMPLIANT	<u>1. Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.</u> <i>The Nomination Committee of the Board is in charge of screening and shortlisting all nominees for director in accordance with its charter and the qualifications and disqualifications provided in the Company's Manual on Corporate Governance. All shareholders, including minority holders, have a right to elect, remove, and replace directors. All nominations are accepted for pre-screening, including those from minority shareholders. The effectiveness of the policies implemented by all board committees, including the Nomination Committee, are assessed periodically.</i> <u>REVISED MANUAL ON CORPORATE GOVERNANCE</u> Pages 9-13, 20-23 http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	COMPLIANT		
4. Board nomination and election policy includes how the board shortlists candidates.	COMPLIANT		
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		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT		
Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.		Identify the professional search firm used or other external sources of candidates	

Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	<p><i>The Board is primarily tasked to establish policies to ensure the integrity and transparency of related party transactions. The Company adheres to the policy of public disclosure of related party transactions. Transactions with related parties not in the ordinary course of business are subject to review and approval as set forth in the Material Related Party Transactions Policy. All related party transactions are fully disclosed in the Company's Audited Financial Statements.</i></p>	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT	<p><u>MATERIAL RELATED PARTY TRANSACTIONS POLICY</u> http://pryce.com.ph/file-manager/files/files/MRPT%20Policy.pdf The Company is not aware of any transaction, not in the ordinary course of business during the period under review, with a related company or its subsidiary in which a director, executive officer, or stockholder, owning 10% or more of total outstanding shares of the Company. During the period under review, the Company is not aware of any related party transaction(s) either individually or in aggregate over the twelve(12) month period of 2019, which occurred with the same related party, that amounted to at least 10% of the Company's total consolidated assets or more, based on December 31, 2018 Audited Financial Statements.</p>	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	COMPLIANT	<p><u>REVISED MANUAL ON CORPORATE GOVERNANCE</u> Pages 3, 12 http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf</p>	
		<p><u>AUDITED FINANCIAL STATEMENTS FOR 2019 (ATTACHED TO THE ANNUAL REPORT)</u> Note 2, page 25, Note 20 http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p>	

Supplement to Recommendations 2.7

<p>1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.</p>	<p>COMPLIANT</p>	<p><u>1. Provide information on a materiality threshold for RPT disclosure and approval, if any.</u></p> <p><u>Provide information on RPT categories</u></p> <ul style="list-style-type: none"> A.) RPT Transactions either individually or in aggregate over a twelve (12)-month period from the first transaction, with the same Related Party, amounting to at least ten (10%) of the Company's total consolidated assets based on its latest audited financial statements; B.) outstanding transactions amounting to at least ten percent (10%) of the total consolidated assets of the Company that were entered into with an unrelated party that subsequently becomes a Related Party, in case of any alteration to the terms and conditions or an increase in the exposure level pertaining to such transactions after the unrelated party becomes a related party; C.) RPTs are disclosed in the Company's financial statements, annual reports and other applicable filings pursuant to the relevant rules and issuance of the SEC, the Philippine Stock Exchange and other relevant regulatory bodies. D.) All material RPTs shall be approved by at least two-thirds (2/3) of the Board of Directors with at least majority of the independent directors voting to approve the material RPT. <p><u>MATERIAL RELATED PARTY TRANSACTIONS POLICY</u></p> <p>http://pryce.com.ph/file-manager/files/files/MRPT%20Policy.pdf</p>	
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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		<i>All material RPTs shall be approved by at least two-thirds (2/3) vote of the Board of directors with at least a majority of the independent directors voting to approve the material RPT. In case the vote of the majority of the independent directors is not secured, the material RPT may be ratified by the stockholders representing the at least two-thirds (2/3) of the outstanding capital stock.</i>
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).	NON-COMPLIANT	<p><u>1. Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management.</u></p> <p><u>Identify the Management team appointed</u></p> <p><u>COMPANY BY-LAWS</u> Article IV http://pryce.com.ph/file-manager/files/amended/Sec%20Registration%20Certificate%20%26%20By-Laws_Sept_%207%2C%201989.pdf</p>	<i>The Board appoints the Company's CEO to lead Management (or the executive officers), while the risk, compliance, and audit functions are discussed elsewhere in this report.</i>
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	NON-COMPLIANT	<p><i>The Company believes that Management's performance is likewise gauged by the performance of the Company.</i></p> <p><u>AUDITED FINANCIAL STATEMENTS FOR 2019 (ATTACHED TO THE ANNUAL REPORT)</u></p> <p>http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</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	<p>The Board and Management have instituted a mechanism whereby the various regional operating units are enjoined to achieve specific targets and tasks towards attaining the over-all objectives of the Company. This covers both short-term and long-term targets. Managers of said regional units are given challenging work-related goals, whose performances are measured against their assigned targets, and additionally compensated (apart from their regular salary) by way of a share in the revenues of their respective regions. Accomplishments against targets are assessed and reviewed during periodic general management meeting. The rank and file, however, are incentivized based on the achieved productivity index which is likewise periodically assessed as necessary.</p> <p><i>The Company believes that Management's performance is likewise gauged by the performance of the Company.</i></p> <p><u>AUDITED FINANCIAL STATEMENTS FOR 2019 (ATTACHED TO THE ANNUAL REPORT)</u></p> <p>http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p>	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT		
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	COMPLIANT	<p><u>1. Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system.</u></p> <p><u>REVISED MANUAL ON CORPORATE GOVERNANCE</u> pages 6-9, 14-15 http://pryce.com.ph/file-manager/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf</p>	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	COMPLIANT		

3. Board approves the Internal Audit Charter.	COMPLIANT	1. Provide reference or link to the company's Internal Audit Charter REVISED MANUAL ON CORPORATE GOVERNANCE pages 18-19 http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf	
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	COMPLIANT	REVISED MANUAL ON CORPORATE GOVERNANCE page 9 http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf PPC ENTERPRISE RISK MANAGEMENT http://pryce.com.ph/corporate-governance/enterprise-risk-management/	
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	ANNUAL REPORT FOR 2019 page 10-13 http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp%20SEC-17A_June%2030%2C%202020.pdf	
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	REVISED MANUAL ON CORPORATE GOVERNANCE Pages 3-9 http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf	
2. Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT		
3. Board Charter is publicly available and posted on the company's website.	COMPLIANT		

Optional: Principle 2			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.		Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any.	
2. Company discloses the types of decision requiring board of directors' approval.		Indicate the types of decision requiring board of directors' approval and where there are disclosed.	
Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	COMPLIANT	<p>1. Provide information or link/reference to a document containing <u>information on all the board committees established by the company.</u></p> <p><i>The Board Committees are the Nomination, Compensation and Remuneration, and Audit Committees.</i></p> <p><u>REVISED MANUAL ON CORPORATE GOVERNANCE</u> pages 9-17 http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf</p>	

Recommendation 3.2			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	COMPLIANT	<p>1. Provide information or link/reference to a document containing information on the Audit Committee, including its functions.</p> <p>Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.</p> <p><u>REVISED MANUAL ON CORPORATE GOVERNANCE</u> pages 14-15 http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf</p> <p><i>The Board Audit Committee evaluates and selects for nomination the external auditor to be recommended by the Company to the stockholders.</i></p> <p><u>ANNUAL REPORT FOR 2019</u> page 46 http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p>	

<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	<p>COMPLIANT</p>	<p>1. Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.</p> <p><i>The Audit Committee is composed of: Atty. Arnold L. Barba (Independent Director- Chairman), Mr. Xerxes Emmanuel F. Escaño (Non-Executive Director) and Mr. Gener T. Mendoza (Independent Director)</i></p> <p><u>ANNUAL REPORT FOR 2019</u> page 46 http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p>	
<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	<p>COMPLIANT</p>	<p>1. Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.</p> <p><u>ANNUAL REPORT FOR 2019</u> page 40-43 http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p>	
<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	<p>COMPLIANT</p>	<p>1. Provide information or link/reference to a document containing information on the Chairman of the Audit Committee.</p> <p><i>The Audit Committee Chairman is Atty. Arnold L. Barba, an independent director, who chairs no other Board Committee.</i></p> <p><u>ANNUAL REPORT FOR 2019</u> page 46 http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p>	

Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	COMPLIANT	<p>1. <u>Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.</u></p> <p><i>The external auditor did not provide any non-audit services, but the Audit Committee is tasked to approve non-audit services conducted by the external auditor.</i></p> <p><u>REVISED MANUAL ON CORPORATE GOVERNANCE</u> pages 14-15 http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf</p>	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	NON-COMPLIANT		<i>The Audit Committee conducts such meetings as needed.</i>
Optional: Recommendation 3.2			
1. Audit Committee meets at least four times during the year.		Indicate the number of Audit Committee meetings during the year and provide proof	
2. Audit Committee approves the appointment and removal of the internal auditor.		Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.	
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	NON-COMPLIANT		<i>The Board itself as a whole is responsible for compliance with corporate governance and implements the same through compliance officers. There is no Corporate Governance Committee per se.</i>
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	NON-COMPLIANT		
3. Chairman of the Corporate Governance Committee is an independent director.	NON-COMPLIANT		

Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.		Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.	

Recommendation 3.4

1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	NON-COMPLIANT		<i>The Board itself as a whole is responsible for risk oversight. There is no BROC per se.</i>
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	NON-COMPLIANT		
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	NON-COMPLIANT		
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	NON-COMPLIANT		

Recommendation 3.5

1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	COMPLIANT	The RPT Committee reviews all material RPTs to ensure that such transactions are at arm's length and will inure to the best interest of the Company and its Subsidiaries, Affiliates and their shareholders including its minority shareholders.	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	COMPLIANT	The RPT Committee is composed of the following: 1) Chairman – Gener T. Mendoza (Independent director); 2) Member – Xerxes F. Escañó; 3) Member – Arnold L. Barba (Independent director).	

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	1. Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes. <u>REVISED MANUAL ON CORPORATE GOVERNANCE</u> pages 9-17 http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf	
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 meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	COMPLIANT	1. Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings. <i>For attendance of a director via tele- or video-conferencing, the Company follows the guidelines and procedures under SEC Memorandum Circular No. 15, Series of 2001.</i>	
2. The directors review meeting materials for all Board and Committee meetings.	COMPLIANT	All materials presented to the Board and Committee meetings are duly reviewed by the Board prior to each meeting.	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	COMPLIANT	1. Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors. <i>Any questions and/or clarifications, as well as the response/s thereto, are recorded in the minutes of the meetings of the Board.</i>	

Recommendation 4.2

<p>1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.</p>	COMPLIANT	<p>1. <u>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</u></p> <p><i>Directors are obliged to submit themselves to a low indicative limit on memberships in other corporate boards. At the moment, no non-executive director of the Company serves on the board/s of other listed companies.</i></p> <p>2. <u>Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies</u></p> <p><u>REVISED MANUAL ON CORPORATE GOVERNANCE</u> Page 13 http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf</p> <p><u>ANNUAL REPORT FOR 2019</u> page 42-43 http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p>	
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Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	COMPLIANT	<p>1. <u>Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.</u></p> <p><i>None of the directors accepted a directorship in another company for the period under review.</i></p>	
Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.			
2. Company schedules board of directors' meetings before the start of the financial year.			
3. Boards of directors meet at least six times during the year.		Indicate the number of board meetings during the year and provide proof	
4. Company requires as minimum quorum of at least 2/3 for board decisions.		Indicate the required minimum quorum for board decisions	
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs			
Recommendation 5.1			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	NON-COMPLIANT		The company has board seats for two (2) independent directors or roughly 28% of Board composition, compliant with the requirements of the Securities Regulation Code (SRC) and its Corporate Governance Manual.

Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	COMPLIANT	<p><u>ANNUAL REPORT FOR 2019</u> page 40 http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p>	
Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	COMPLIANT	<p>1. <u>Provide link/reference to a document containing information that directors are not constrained to vote independently.</u></p> <p><i>A director is not merely allowed but is required to exercise independent judgment.</i></p> <p><u>REVISED MANUAL ON CORPORATE GOVERNANCE</u> page 6 http://pryce.com.ph/file-manager/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf</p>	
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	NON-COMPLIANT	<p>1. <u>Provide information or link/reference to a document showing the years IDs have served as such.</u></p> <p><i>Atty. Arnold L. Barba has been an independent director since 2017. Mr. Gener T. Mendoza has been an independent director since 2019.</i></p>	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	COMPLIANT	<p>1. <u>Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director</u></p> <p>The Company follows SEC Memorandum Circular No. 4, Series of 2017, on the Term Limits for Independent Directors.</p>	

3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	COMPLIANT	<p><u>1. Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.</u></p> <p>While there has been no such incident, the Company will comply with SEC Memorandum Circular No. 4, Series of 2017.</p>	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	NON-COMPLIANT	<u>1. Identify the company's Chairman of the Board and Chief Executive Officer</u>	Mr. Salvador P. Escaño serves as the Chairman of the Board as well as the Chief Executive Officer of the Company.
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	COMPLIANT	<p><u>1. Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer.</u></p> <p><u>2. Identify the relationship of Chairman and CEO.</u></p> <p>REVISED MANUAL ON CORPORATE GOVERNANCE pages 4-5 http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf</p> <p>COMPANY BY-LAWS Article IV, Sections 2 and 4 http://pryce.com.ph/file-manager/files/amended/Sec%20Registration%20Certificate%20%26%20By-Laws_Sept_%207%2C%201989.pdf</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	1. <u>Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any.</u> 2. <u>Indicate if Chairman is independent.</u> <i>The lead independent director chairs the Audit Committee. The Company's lead independent director is Atty. Arnold L. Barba. The Chairman of the Board, Mr. Salvador P. Escaño, is not an independent director.</i>	
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	1. <u>Provide proof of abstention, if this was the case</u> There have been no circumstances where any director has material interest in a certain transaction. <u>ANNUAL REPORT FOR 2019</u> page 45-46 http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf <u>Minutes of the Meetings of the Board</u>	
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	NON-COMPLIANT		<i>There were no such meetings for the period under review.</i>
2. The meetings are chaired by the lead independent director.	NON-COMPLIANT		
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.		Provide name/s of company CEO for the past 2 years	

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

Recommendation 6.1

1. Board conducts an annual self-assessment of its performance as a whole.	COMPLIANT	<p><i>The Company believes that the performance of the Board as a whole, its committees, the individual members, and the Chairman can best be assessed through the performance of the Company.</i></p> <p><u>ANNUAL REPORT FOR 2019</u> page 25-38 http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p> <p><u>AUDITED FINANCIAL STATEMENTS FOR 2019</u> <u>(ATTACHED TO THE ANNUAL REPORT)</u> http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p>	
2. The Chairman conducts a self-assessment of his performance.	COMPLIANT		
3. The individual members conduct a self-assessment of their performance.	COMPLIANT		
4. Each committee conducts a self-assessment of its performance.	COMPLIANT		
5. Every three years, the assessments are supported by an external facilitator.	NON-COMPLIANT	There has been no such use of an external facilitator.	

Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	COMPLIANT	<p><u>1. Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders.</u></p> <p><i>The Company believes that the performance of the Board as a whole, its committees, the individual members, and the Chairman can best be assessed through the performance of the Company.</i></p> <p><u>ANNUAL REPORT FOR 2019 and AUDITED FINANCIAL STATEMENTS FOR 2019</u> http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p> <p><i>Shareholder information and feedback is a basic right of the shareholders of the Company.</i></p> <p><u>REVISED MANUAL ON CORPORATE GOVERNANCE</u> Pages 20-23 http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf</p>	
2. The system allows for a feedback mechanism from the shareholders.	COMPLIANT	<p><u>REVISED MANUAL ON CORPORATE GOVERNANCE</u> Pages 20-23 http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf</p>	

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	1. <u>Provide information on or link/reference to the company's Code of Business Conduct and Ethics.</u> CODE OF BUSINESS CONDUCT AND ETHICS http://pryce.com.ph/corporate-governance/code-of-business-conduct-and-ethics/ http://www.pryce.com.ph/file-manager/files/pdf/Code%20of%20Conduct%20%26%20Business%20%20%20Ethics_Pryce's.pdf	
2. The Code is properly disseminated to the Board, senior management and employees.	COMPLIANT		
3. The Code is disclosed and made available to the public through the company website.	COMPLIANT	<i>As stated, the Code forms part of the company handbook that all company personnel sign and to which all are expected to adhere.</i>	

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	1. <u>Provide information on or link/reference to a document containing information on the company's policy and procedure on curbing and penalizing bribery</u> CODE OF BUSINESS CONDUCT AND ETHICS <ul style="list-style-type: none"> • http://pryce.com.ph/corporate-governance/code-of-business-conduct-and-ethics/ • http://www.pryce.com.ph/file-manager/files/pdf/Code%20of%20Conduct%20%26%20Business%20%20%20Ethics_Pryce's.pdf 	
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Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT	<p><u>1. Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.</u></p> <p><u>2. Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.</u></p> <p><i>The Board had appointed the Human Resources Department to implement the Code. Non-compliance results in penalties for the erring officer or personnel, including and up to termination from employment.</i></p> <p><u>CODE OF BUSINESS CONDUCT AND ETHICS</u></p> <ul style="list-style-type: none"> • http://pryce.com.ph/corporate-governance/code-of-business-conduct-and-ethics/ • http://www.pryce.com.ph/file-manager/files/pdf/Code%20of%20Conduct%20%26%20Business%20%20%20Ethics_Pryce's.pdf 	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	COMPLIANT		

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	<p><u>1. Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders</u></p> <p><i>The Board adheres to the deadlines set by the Securities and Exchange Commission as well as the Philippine Stock Exchange in the submission of annual and quarterly reports.</i></p>	

Supplement to Recommendations 8.1

<p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.</p>	<p>COMPLIANT</p>	<p><u>1. Indicate the number of days within which the consolidated and interim reports were published, distributed or made available from the end of the fiscal year and end of the reporting period, respectively.</u></p> <p><i>The Annual Report (with audited consolidated financial statements) for 2019 was filed online with the SEC on June 30, 2020 and couriered on same day. This same report was likewise filed with PSE on June 30, 2020 and approved for release by the PSE on July 2, 2020. (Extension period to file the Annual Report was allowed under SEC Memo Circ. No. 5 dated March 12, 2020, due to the coronavirus pandemic.) Simultaneously, the 1st quarter report for 2020 was also filed with the SEC and PSE, in the same aforesaid manner, on June 30, 2020.</i></p> <p><i>The Annual Report for 2019 was filed and published on July 02, 2020 (184 days - with an approved extension). The report for 1Q 2019 was published on May 15, 2019 (45 days), that for 2Q 2019 on August 13, 2019 (44 days), and that for 3Q 2019 on November 14, 2019 (45 days).</i></p>	
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<p>2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p>	<p>COMPLIANT</p>	<p>1. <u>Provide link or reference to the company's annual report where the following are disclosed:</u></p> <ol style="list-style-type: none"> 1. principal risks to minority shareholders associated with the identity of the company's controlling shareholders; 2. cross-holdings among company affiliates; and 3. any imbalances between the controlling shareholders' voting power and overall equity position in the company. <p>ANNUAL REPORT FOR 2019 <i>pages 25-27 on 'Public Ownership' and 'Holders'</i> <i>pages 44-45 on Security Ownership of Certain Record and Beneficial Owners and of Management</i> http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p>	
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Recommendation 8.2

1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	COMPLIANT	<p><u>1. Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share.</u></p> <p><i>A director or officer is required to disclose transactions involving the Company's shares immediately or within the same day of receipt of the written confirmation of the transaction of the trading participant engaged by the director or officer to transact.</i></p>	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	COMPLIANT	<p><u>2. Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.</u></p> <p><u>PPC INSIDER TRADING POLICY</u> http://pryce.com.ph/corporate-governance/companys-policies/insider-trading-policy/</p> <p><i>Dealings of directors involving the Company's shares are timely disclosed using the disclosure templates of the Philippine Stock Exchange as well as SEC Forms 23-A or 23-B, as the case may be. Please refer to</i> http://edge.pse.com.ph/companyDisclosures/form.do?cm.py_id=150</p>	

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><u>1. Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders.</u></p> <p><u>2. Provide link or reference to the company's Conglomerate Map.</u></p> <p>ANNUAL REPORT FOR 2019 AUDITED FINANCIAL STATEMENTS FOR 2019 <i>Page 28, pages 44-45, Annex B to the Notes to the Audited Financial Statements</i> http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p> <p>PSE Edge Website - https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=150</p> <p>For 2019 alone, the total number of buy-back transactions was 147. As of the last buy-back transaction in 2019, i.e. on Dec. 23, 2019, the total number of outstanding shares was 1,987,901,269 common shares, while total repurchased shares were 36,598,731 common shares.</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><u>1. Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</u></p> <p>ANNUAL REPORT FOR 2019 AUDITED FINANCIAL STATEMENTS FOR 2019 <i>pages 40-43</i> http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p>	

<p>2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	<p>COMPLIANT</p>	<p>1. Provide link or reference to the key officers' <u>academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</u></p> <p><u>ANNUAL REPORT FOR 2019</u> <u>AUDITED FINANCIAL STATEMENTS FOR 2019</u> pages 40-43 http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p>	
<p>Recommendation 8.4</p>			
<p>1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.</p>	<p>COMPLIANT</p>	<p>1. Disclose or provide link/reference to the <u>company policy and practice for setting board remuneration.</u></p>	
<p>2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.</p>	<p>COMPLIANT</p>	<p><u>REVISED MANUAL ON CORPORATE GOVERNANCE</u> pages 13-14 http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf</p> <p><u>ANNUAL REPORT FOR 2019</u> pages 43-44 http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p> <p><u>COMPANY BY-LAWS</u> Article IV, Section 13 http://pryce.com.ph/file-manager/files/amended/Sec%20Registration%20Certificate%20%26%20By-Laws_Sept_%207%2C%201989.pdf</p>	

3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	COMPLIANT	<p>1. Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.</p> <p><u>ANNUAL REPORT FOR 2019</u> pages 43-44 http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p>	
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	COMPLIANT	<p>1. Disclose or provide reference/link to company's RPT policies.</p> <p>2. Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</p> <p><u>REVISED MANUAL ON CORPORATE GOVERNANCE</u> page 15-16 http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf</p>	

<p>2. Company discloses material or significant RPTs reviewed and approved during the year.</p>	<p>COMPLIANT</p>	<p><u>1. Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</u></p> <ol style="list-style-type: none"> 1. name of the related counterparty; 2. relationship with the party; 3. transaction date; 4. type/nature of transaction; 5. amount or contract price; 6. terms of the transaction; 7. rationale for entering into the transaction; 8. the required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and 9. other terms and conditions <p>The company is not aware of any transaction, not in the ordinary course of business during the period under review with a related party owning 10% or more of the total outstanding shares of the Company and members of its immediate family.</p> <p>During the period under review, the Company is not aware of any related party transaction(s), either individually or in aggregate over the twelve (12)-month period of 2019, which occurred with the same related party, that amounted to at least ten (10%) of the Company's total consolidated assets or more, based on audited financial statements as of December 31, 2018.</p> <p><u>AUDITED FINANCIAL STATEMENTS FOR 2019</u> <u>(ATTACHED TO THE ANNUAL REPORT)</u></p> <p><i>Pages 45-46</i> <i>Notes to Financial Statements – page 25,52</i> http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p>	
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Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	COMPLIANT	<p>1. Indicate where and when directors disclose their interests in transactions or any other conflict of interests.</p> <p><u>REVISED MANUAL ON CORPORATE GOVERNANCE</u> page 6 http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf</p> <p><u>CODE OF BUSINESS CONDUCT AND ETHICS</u> http://pryce.com.ph/corporate-governance/code-of-business-conduct-and-ethics/</p>	
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	<p>1. Provide link or reference where this is disclosed, if any</p> <p><u>REVISED MANUAL ON CORPORATE GOVERNANCE</u> pages 8 and 16 http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf</p> <p><u>AUDITED FINANCIAL STATEMENTS FOR 2019 (ATTACHED TO THE ANNUAL REPORT)</u> Pages 45-46 Notes to Financial Statements – page 25 http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p> <p><u>MATERIAL RELATED PARTY TRANSACTION POLICY</u> http://www.pryce.com.ph/corporate-governance/companys-policies/related-party-transaction-policy/</p>	

Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	COMPLIANT	<p>1. Provide link or reference where this is disclosed.</p> <p><i>The Company discloses such event(s) through SEC Form17-C (Current Report), posted on the PSE as well as the Company website, although there was no such transaction for the period under review.</i></p> <p>MATERIAL TRANSACTIONS AND OTHER DISCLOSURES http://pryce.com.ph/company-disclosures/other-disclosures/</p> <p>PSE EDGE WEBSITE – PPC http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=150</p>	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	COMPLIANT	<p>1. <u>Identify independent party appointed to evaluate the fairness of the transaction price.</u></p> <p>2. <u>Disclose the rules and procedures for evaluating the fairness of the transaction price, if any.</u></p> <p><i>There were no material acquisitions or disposal of significant assets for the period under review.</i></p>	

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	1. Provide link or reference where these are disclosed. <u>PRELIMINARY INFORMATION STATEMENT FOR 2019</u> <u>Page 6-11</u> file:///C:/Users/user/Downloads/2019%20Preliminary%20IS_PSE's.pdf	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	1. Provide link to the company's website where the Manual on Corporate Governance is posted. <u>REVISED MANUAL ON CORPORATE GOVERNANCE</u> http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf	
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	1. Provide proof of submission. <u>REVISED MANUAL ON CORPORATE GOVERNANCE</u> http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf	

Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:	COMPLIANT	1. Provide link or reference to the company's Annual Report containing the said information.	
a. Corporate Objectives	COMPLIANT	<u>ANNUAL REPORT FOR 2019</u> pages 25-45, 40-44 http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf	
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		

<p>2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.</p>	<p>COMPLIANT</p>	<p>1. Provide link or reference to where this is contained in the Annual Report.</p> <p><u>ANNUAL REPORT FOR 2019</u> pages 46-47 http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p>	
<p>3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.</p>	<p>COMPLIANT</p>	<p>1. Provide link or reference to where this is contained in the Annual Report.</p> <p><u>ANNUAL REPORT FOR 2019</u> Page 10-13, 46-47, 166 http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p> <p><u>ANNUAL CORPORATE GOVERNANCE REPORT FOR 2016</u> Pages 36-37 http://www.pryce.com.ph/file-manager/files/ACGR%20final_2016.pdf</p>	
<p>4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.</p>	<p>COMPLIANT</p>	<p>1. Provide link or reference to where this is contained in the Annual Report</p> <p><u>ANNUAL REPORT FOR 2019</u> Page 10-13, 46-47, 166 http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p> <p><u>ANNUAL CORPORATE GOVERNANCE REPORT FOR 2016</u> Pages 36-37 http://www.pryce.com.ph/file-manager/files/ACGR%20final_2016.pdf</p>	

5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, and economic).	COMPLIANT	<p>1. Provide link or reference to where these are contained in the Annual Report</p> <p><u>ANNUAL REPORT FOR 2019</u> Page 10-13 http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p> <p><u>AUDITED FINANCIAL STATEMENTS FOR 2019</u> <u>(ATTACHED TO THE ANNUAL REPORT)</u></p> <p>Note 36 http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p>	
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Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

Recommendation 9.1

1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	COMPLIANT	<p>1. Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.</p> <p><u>REVISED MANUAL ON CORPORATE GOVERNANCE</u> pages 14-15 http://pryce.com.ph/file-manager/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf</p>	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	COMPLIANT	<p>1. Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.</p> <p><u>PRELIMINARY INFORMATION STATEMENT FOR 2019</u> page 14</p>	

3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	COMPLIANT	<i>The Company did not remove or change its external auditor for the period under review.</i>	
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	COMPLIANT	<p><u>1. Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years.</u></p> <p><i>The Company follows Rule 68 of the Securities Regulation Code.</i></p> <p><u>ANNUAL REPORT FOR 2019</u> Page 39 http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p>	

Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: <ul style="list-style-type: none"> i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. 	COMPLIANT	1. Provide link/reference to the company's Audit Committee Charter <u>REVISED MANUAL ON CORPORATE GOVERNANCE</u> pages 14-15 http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.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	1. Provide link/reference to the company's Audit Committee Charter <u>EVISED MANUAL ON CORPORATE GOVERNANCE</u> pages 14-15 http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf	
Supplement to Recommendations 9.2			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	COMPLIANT	1. Provide link/reference to the company's Audit Committee Charter. <u>EVISED MANUAL ON CORPORATE GOVERNANCE</u> pages 14-15 http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf	

2. Audit Committee ensures that the external auditor has adequate quality control procedures.	COMPLIANT	<p>1. Provide link/reference to the company's Audit Committee Charter.</p> <p><u>REVISED MANUAL ON CORPORATE GOVERNANCE</u> pages 14-15 http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf</p>	
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	COMPLIANT	<p><i>1. Disclose the nature of non-audit services performed by the external auditor, if any.</i></p> <p><i>The external auditor did not perform non-audit services during the period under review</i></p> <p><u>ANNUAL REPORT FOR 2019</u> Page 39 http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p>	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	COMPLIANT	<p>1. Provide link or reference to guidelines or policies on non-audit services.</p> <p><u>REVISED MANUAL ON CORPORATE GOVERNANCE</u> pages 14-15 http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf</p>	
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	COMPLIANT	<p><i>1. Provide information on audit and non-audit fees paid.</i></p> <p><i>The external auditor did not perform non-audit services during the period under review.</i></p> <p><u>ANNUAL REPORT FOR 2019</u> Page 39 http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p>	

Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	COMPLIANT	<p>Information on the company's external auditor:</p> <ol style="list-style-type: none"> 1. Name of the audit engagement partner: <i>Elirie S. Arañas</i> 2. Accreditation number: <i>SEC Accreditation No. 1679-A, Group A</i> 3. Date Accredited: <i>May 9, 2018</i> 4. Expiry date of accreditation: <i>May 9, 2021</i> 5. Name, address, contact number of the audit firm: <i>Diaz Murillo Dalupan and Company (Tel. no. 894-58-92)</i> <i>7th Floor Don Jacinto Building, Dela Rosa cor. Salcedo Sts.</i> <i>Legaspi Village, 1229 Makati City</i> 	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	COMPLIANT	<i>Per the Company's external auditor, they are subjected to the SOAR Program, though they have yet to be subject to inspection.</i>	
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	COMPLIANT	<p><i>The Company discloses non-financial information and the management of EESG issues in its Sustainability Report.</i></p> <p><u>SUSTAINABILITY REPORT</u> Pages 14-39 http://pryce.com.ph/file-manager/files/Others/Sustainability%20Report%20(PPC)%202020%20June%2030%2C%202020.pdf</p>	
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

<p>1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.</p>	<p>COMPLIANT</p>	<p><u>1. Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any.</u></p> <p><i>The Company accommodates invitations from analysts and media to discuss the Company's results and performance. The Company also mainly uses its website as well as the PSE Edge website for timely disclosure and dissemination.</i></p> <p>PPC WEBSITE http://www.pryce.com.ph/</p> <p>PSE EDGE WEBSITE – PPC http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=150</p>	
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Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:	COMPLIANT	1. Provide link to company website	
G. Financial statements/reports (latest quarterly)	COMPLIANT	<p>PPC WEBSITE http://www.pryce.com.ph/</p> <p>A. Financial statement/reports(latest/quarterly)</p> <ul style="list-style-type: none"> http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf http://pryce.com.ph/file-manager/files/Quarterly/Pryce%20Corp_SEC-17-Q%201st%20Qtr%20March_2020.pdf <p>B. Materials provided in briefings to analysts and media http://www.pryce.com.ph/news-manager/</p> <p>C. Downloadable annual report http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p> <p>D. Notice of ASM http://pryce.com.ph/file-manager/files/Others/Postponement%20of%20Annual%20Stockholders'%20Meeting(1).pdf</p> <p>E. Minutes of ASM and/or SSM http://pryce.com.ph/file-manager/files/Results%20of%20Annual%20Stockholders/Minutes%20of%20the%20Annual%20Stockholders'%20Meeting%20of%20PC%20June%2028%2C%202019%20%20%20%2005July2019.pdf</p> <p>F. Company's Articles of Incorporation and By-Laws http://www.pryce.com.ph/about-us/-articles-of-incorporation-and-by-laws/</p>	
H. Materials provided in briefings to analysts and media	COMPLIANT		
I. Downloadable annual report	COMPLIANT		
J. Notice of ASM and/or SSM	COMPLIANT		
K. Minutes of ASM and/or SSM	COMPLIANT		
L. Company's Articles of Incorporation and By-Laws	COMPLIANT		

Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	COMPLIANT	PPC WEBSITE http://www.pryce.com.ph/	
Internal Control System and Risk Management Framework			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	COMPLIANT	1. <u>List quality service programs for the internal audit functions.</u> 2. <u>Indicate frequency of review of the internal control system</u> REVISED MANUAL ON CORPORATE GOVERNANCE pages 14-15 http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf Review is as often as necessary.	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	COMPLIANT	1. <u>Identify international framework used for Enterprise Risk Management</u> 2. <u>Provide information or reference to a document containing information on:</u> 1. Company's risk management procedures and processes 2. Key risks the company is currently facing 3. How the company manages the key risks 3. <u>Indicate frequency of review of the enterprise risk management framework.</u> PPC ENTERPRISE RISK MANAGEMENT http://pryce.com.ph/corporate-governance/enterprise-risk-management/ Review is as often as necessary.	

Supplement to Recommendations 12.1			
1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	COMPLIANT	<p><u>1. Provide information on or link/reference to a document containing the company's compliance program covering compliance with laws and relevant regulations.</u></p> <p><u>2. Indicate frequency of review.</u></p> <p><i>In the event that a relevant law or regulation is passed, top management will decide on how the same will be complied with and implemented, and thereafter education and training will be provided to middle management and cascaded to supervisors and ultimately the staff.</i></p> <p><i>Review of this program is as necessary.</i></p>	
Optional: Recommendation 12.1			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.		Provide information on IT governance process	
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	COMPLIANT	<p><u>1. Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.</u></p> <p><i>The Company's internal audit is in-house.</i></p>	
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	NON-COMPLIANT		The Company has yet to appoint a CAE per se. Internal audit activity is overseen by the Board, through the Audit Committee.
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.	NON-COMPLIANT		

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.			The Company's internal audit is in-house.
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	COMPLIANT	<p><u>1. Provide information on company's risk management function.</u></p> <p>The Board itself is tasked to identify key risk areas and ensure the effectiveness of risk management reporting systems supporting organizational and procedural controls.</p> <p>REVISED MANUAL ON CORPORATE GOVERNANCE page 5-6 http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf</p>	
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	COMPLIANT	<p><u>1. Identify source of external technical support, if any.</u></p> <p>Being a highly technical business, the Company will outsource engineers and experts as consultants especially when undertaking special or unprecedented projects to best manage the risks involved.</p>	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	NON-COMPLIANT		Risk management and mitigation involves a concerted effort of all officers and employees from the top-down. There is no Risk Management Officer per se.
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	NON-COMPLIANT		Risk management and mitigation involves a concerted effort of all officers and employees from the top-down. There is no Risk Management Officer per se.

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		<i>The Company has yet to appoint a CAE per se. Internal audit activity is overseen by the Board, through the Audit Committee.</i>
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	1. <u>Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.</u> <u>REVISED MANUAL ON CORPORATE GOVERNANCE</u> pages 20-23 http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	COMPLIANT	1. <u>Provide link to company's website</u> <u>REVISED MANUAL ON CORPORATE GOVERNANCE</u> pages 20-23 http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	COMPLIANT	<u>PRELIMINARY INFORMATION STATEMENT FOR 2019</u> page 3 http://pryce.com.ph/file-manager/files/files/2019%20Preliminary%20IS_PSE's.pdf	

<p>2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.</p>	<p>COMPLIANT</p>	<p>1. Provide information on all classes of shares, including their voting rights if any.</p> <p><i>The Company's shares are all common shares with each common share having the same rights as other common shares.</i></p> <p><u>ARTICLES OF INCORPORATION (as amended)</u> Article 7 http://pryce.com.ph/file-manager/files/files/Amended%20Articles%20of%20Incorporation Sept %2027%2C%202002.pdf</p> <p><u>REVISED MANUAL ON CORPORATE GOVERNANCE</u> pages 20-23 http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf</p>	
<p>3. Board has an effective, secure, and efficient voting system.</p>	<p>COMPLIANT</p>	<p>1. Provide link to voting procedure. Indicate if voting is by poll or show of hands.</p> <p><i>Voting is typically by verbal motion duly seconded during the meeting.</i></p> <p><u>PRELIMINARY INFORMATION STATEMENT FOR 2019</u> page 18 http://pryce.com.ph/file-manager/files/files/2019%20Preliminary%20IS_PSE's.pdf</p>	

<p>4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.</p>	<p>COMPLIANT</p>	<p><u>1. Provide information on shareholder voting mechanisms such as supermajority or "majority of minority", if any.</u></p> <p><i>Minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purpose. They shall have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management shall include such information and, if not included, then the minority shareholders shall be allowed to propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes." Furthermore, a director shall not be removed without cause if it will deny minority shareholders representation in the Board.</i></p>	
<p>5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.</p>	<p>COMPLIANT</p>	<p><u>1. Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution)</u></p> <p><i>The shareholders have yet to call a meeting or submit a proposal for consideration or agenda item, but the right is provided for in the Company's Manual on Corporate Governance.</i></p> <p><u>REVISED MANUAL ON CORPORATE GOVERNANCE</u> page 21 http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf</p>	
<p>6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.</p>	<p>COMPLIANT</p>	<p><u>1. Provide information or link/reference to the policies on treatment of minority shareholders</u></p> <p><u>REVISED MANUAL ON CORPORATE GOVERNANCE</u> pages 20-23 http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf</p>	

7. Company has a transparent and specific dividend policy.	COMPLIANT	<u>ANNUAL REPORT FOR 2019</u> Page 25-26 http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf The Company declared dividends last December 06, 2019 and paid the same last January 29, 2020 or 54 days from declaration. <u>CURRENT REPORT ON DECLARATION OF CASH DIVIDENDS</u> http://pryce.com.ph/file-manager/files/Others/Declaration%20of%20Cash%20Dividends.pdf	
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.		Identify the independent party that counted/validated the votes at the ASM, if any.	
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.		<p><u>1. Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out</u></p> <p><u>2. Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</u></p> <p><u>3. Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS)</u></p> <p>No changes in remuneration were proposed or approved during the period under review.</p> <p><u>DEFINITIVE INFORMATION STATEMENT</u> <u>NOTICE OF ANNUAL STOCKHOLDERS MEETING</u> http://pryce.com.ph/file-manager/files/Information%20Statement/2019%20Definitive%20IS.pdf</p>	Notices were sent to shareholders as well as published in a newspaper of general circulation on June 14, 2019, or 14 days before the meeting. This is so because the Company's record date cannot be more than 20 days from the meeting per its By-Laws, and, the Company is unable to know list of stockholders entitled to notice until after the record date.

Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	COMPLIANT	<p>1. Provide link or reference to the company's notice of Annual Shareholders' Meeting</p> <p>DEFINITIVE INFORMATION STATEMENT http://pryce.com.ph/file-manager/files/Information%20Statement/2019%20Definitive%20IS.pdf</p>	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	COMPLIANT	<p>DEFINITIVE INFORMATION STATEMENT http://pryce.com.ph/file-manager/files/Information%20Statement/2019%20Definitive%20IS.pdf</p>	
b. Auditors seeking appointment/re-appointment	COMPLIANT	<p>DEFINITIVE INFORMATION STATEMENT http://pryce.com.ph/file-manager/files/Information%20Statement/2019%20Definitive%20IS.pdf</p>	
c. Proxy documents	COMPLIANT	<p><i>The Company did not solicit any proxies.</i></p> <p>DEFINITIVE INFORMATION STATEMENT http://pryce.com.ph/file-manager/files/Information%20Statement/2019%20Definitive%20IS.pdf</p>	
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	COMPLIANT	<p>1. Provide link or reference to the rationale for the agenda items.</p> <p>DEFINITIVE INFORMATION STATEMENT http://pryce.com.ph/file-manager/files/Information%20Statement/2019%20Definitive%20IS.pdf</p>	

Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	COMPLIANT	<p>1. Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.</p> <p><u>CURRENT REPORT ON THE RESULTS OF THE 2019 ANNUAL STOCKHOLDERS' MEETING</u> http://pryce.com.ph/file-manager/files/Results%20of%20Annual%20Stockholders/Minutes%20of%20the%20Annual%20Stockholders'%20Meeting%20of%20PC%20June%2028%2C%202019%20%20%20%2005July2019.pdf</p>	
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	COMPLIANT	<p>1. Provide link to minutes of meeting in the company website.</p> <p><u>CURRENT REPORT ON THE RESULTS OF THE 2019 ANNUAL STOCKHOLDERS' MEETING</u> http://pryce.com.ph/file-manager/files/Results%20of%20Annual%20Stockholders/Minutes%20of%20the%20Annual%20Stockholders'%20Meeting%20of%20PC%20June%2028%2C%202019%20%20%20%2005July2019.pdf</p>	
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	COMPLIANT	<p><i>1. Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting</i></p> <p><i>The external auditor (and its relevant representatives) was present to answer shareholders' questions during the meeting.</i></p>	

Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	COMPLIANT	<p><u>1. Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes</u></p> <p>Alternative dispute resolution mechanisms with shareholders and key stakeholders are overseen and implemented by the investor relations office/r.</p> <p><u>REVISED MANUAL ON CORPORATE GOVERNANCE</u> page 6 http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf</p>	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	COMPLIANT	<p><u>1. Provide link/reference to where it is found in the Manual on Corporate Governance</u></p> <p><u>REVISED MANUAL ON CORPORATE GOVERNANCE</u> page 6 http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf</p>	
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	COMPLIANT	<p><u>1. Disclose the contact details of the officer/office responsible for investor relations, such as:</u></p> <ol style="list-style-type: none"> 1. Name of the person: <ol style="list-style-type: none"> a. Earl Christian L. Lerio b. Jose Ma. C. Ordenes 2. Telephone number: <ol style="list-style-type: none"> a) (+632) 8897-6098 b) (+632) 8899-4401 3. Fax number: (+632) 8899-9638 4. E-mail address: <ol style="list-style-type: none"> a) earl.lerio@prycegases.com b) josema.ordenes@prycecorp.com 	

2. IRO is present at every shareholder's meeting.	COMPLIANT	<u>1. Indicate if the IRO was present during the ASM.</u> <i>The IRO is present at every stockholder's meeting.</i>	
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	<u>1. Provide information on how anti-takeover measures or similar devices were avoided by the board, if any.</u> <i>There were no such measures or devices encountered during the period under review.</i>	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	COMPLIANT	<u>1. Indicate the company's public float.</u> As of December 31, 2019, the public ownership was at 70.20% (as reported to the PSE and disclosed on Jan. 15, 2020).	
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	COMPLIANT	<u>1. Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM</u> <u>REVISED MANUAL ON CORPORATE GOVERNANCE</u> pages 20-23 http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.		<u>1. Disclose the process and procedure for secure electronic voting in absentia, if any.</u>	

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

<p>1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.</p>	<p>COMPLIANT</p>	<p><u>1. Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.</u></p> <p><i>The Company's major stakeholders are its stockholders, employees, customers, suppliers, creditors, and the community/ies where it operates.</i></p> <p><u>ANNUAL REPORT FOR 2019</u> Pages 163-198 http://pryce.com.ph/file-manager/files/Others/Pryce%20Corp_%20SEC-17A_June%2030%2C%202020.pdf</p> <p><u>ANNUAL CORPORATE GOVERNANCE REPORT FOR 2016</u> pages 48-49 http://www.pryce.com.ph/file-manager/files/ACGR%20final_2016.pdf</p>	
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Recommendation 14.2

<p>1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.</p>	<p>COMPLIANT</p>	<p><u>1. Identify policies and programs for the protection and fair treatment of company's stakeholders</u></p> <p><u>REVISED MANUAL ON CORPORATE GOVERNANCE</u> pages 20-23 http://pryce.com.ph/file-manager/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf</p>	
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Recommendation 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	COMPLIANT	<p><u>1. Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights.</u></p> <p>The stakeholders may get in touch with the Corporate Information Officers, Mr. Jose Ma. Ordenes and Atty. Earl Christian Lerio at (+632) 899-4401 and e-mail addresses josema.ordenes@pryce.com.ph and earl.lerio@prycegases.com.</p> <p><u>2. Provide information on whistleblowing policy, practices and procedures for stakeholders</u></p> <p>THE COMPANY'S WHISTLEBLOWING POLICY http://pryce.com.ph/corporate-governance/companys-policies/whistle-blowing-policy/</p>	
Supplement to Recommendation 14.3			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders are settled in a fair and expeditious manner.	COMPLIANT	<p><u>1. Provide information on the alternative dispute resolution system established by the company.</u></p> <p>Alternative dispute resolution mechanisms with shareholders and key stakeholders are overseen and implemented by the investor relations office/r.</p> <p>REVISED MANUAL ON CORPORATE GOVERNANCE page 6 http://pryce.com.ph/file-manager/files/files/Revised%20Manual%20on%20Corporate%20Governance%202020.pdf</p>	

Additional Recommendations to Principle 14			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	COMPLIANT	The Company has not requested any exception for itself with respect to corporate governance.	
2. Company respects intellectual property rights.	COMPLIANT		
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare		Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same.	
2. Company discloses its policies and practices that address supplier/contractor selection procedures		Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same.	

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

Recommendation 15.1

1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	COMPLIANT	<p>1. <u>Disclose if company has in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.</u></p> <p><u>COMPANY POLICY AND DATA ON HEALTH, SAFETY, AND WELFARE</u> http://pryce.com.ph/corporate-governance/companys-policies/policy-and-data-on-health-safety-and-welfare/</p>	
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Supplement to Recommendation 15.1

1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	COMPLIANT	<p>1. <u>Disclose if company has in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.</u></p> <p><i>The Company believes that employees should be incentivized based on sales/revenue performance.</i></p>	
2. Company has policies and practices on health, safety and welfare of its employees.	COMPLIANT	<p>1. <u>Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any.</u></p> <p><u>COMPANY POLICY AND DATA ON HEALTH, SAFETY, AND WELFARE</u> http://pryce.com.ph/corporate-governance/companys-policies/policy-and-data-on-health-safety-and-welfare/</p> <p><u>SUSTAINABILITY REPORT</u> Pages 29-30 http://pryce.com.ph/file-manager/files/Others/Sustainability%20Report%20(PPC)%202020%20June%2030%2C%202020.pdf</p>	

3. Company has policies and practices on training and development of its employees.	COMPLIANT	<p><u>1. Identify how the board disseminated the policy and program to employees across the organization.</u></p> <p><u>COMPANY POLICY AND DATA ON HEALTH, SAFETY, AND WELFARE</u> http://pryce.com.ph/corporate-governance/companys-policies/policy-and-data-on-health-safety-and-welfare/</p>	
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	COMPLIANT	<p>The Company adopted an Anti-Corruption Policy which is found under the Code of Conduct and Business Ethics of the Company Handbook.</p> <p><u>SUSTAINABILITY REPORT</u> Pages 10-13 http://pryce.com.ph/file-manager/files/Others/Sustainability%20Report%20(PPC)%202020%20June%2030%2C%202020.pdf</p>	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	<p><u>CODE OF CONDUCT AND BUSINESS ETHICS</u> http://www.pryce.com.ph/corporate-governance/code-of-business-conduct-and-ethics/</p>	
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	COMPLIANT	<p><u>1. Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices.</u></p> <p><u>2. Include any finding of violations of the company policy.</u></p> <p><u>CODE OF BUSINESS CONDUCT AND ETHICS</u> http://pryce.com.ph/corporate-governance/code-of-business-conduct-and-ethics/</p>	

Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	COMPLIANT	<p>1. <u>Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees.</u></p> <p>2. <u>Indicate if the framework includes procedures to protect the employees from retaliation.</u></p> <p>3. <u>Provide contact details to report any illegal or unethical behavior.</u></p> <p><u>COMPANY'S WHISTLEBLOWING POLICY</u> http://pryce.com.ph/corporate-governance/companys-policies/whistle-blowing-policy/</p>	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	COMPLIANT	<p><u>COMPANY'S WHISTLEBLOWING POLICY</u> http://pryce.com.ph/corporate-governance/companys-policies/whistle-blowing-policy/</p>	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	COMPLIANT	<p>1. <u>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.</u></p> <p><u>COMPANY'S WHISTLEBLOWING POLICY</u> http://pryce.com.ph/corporate-governance/companys-policies/whistle-blowing-policy/</p>	

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

Recommendation 16.1


1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	COMPLIANT	<p>1. Provide information or reference to a document containing information on <u>the company's community involvement and environment-related programs.</u></p> <p><u>COMPANY'S CORPORATE SOCIAL RESPONSIBILITY PROGRAMS</u> http://pryce.com.ph/corporate-governance/corporate-social-responsibility/</p>	
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Optional: Principle 16


1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	COMPLIANT	<p>1. Identify or provide link/reference to policies, programs and practices to <u>ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development.</u></p> <p><u>COMPANY'S CORPORATE SOCIAL RESPONSIBILITY PROGRAMS</u> http://pryce.com.ph/corporate-governance/corporate-social-responsibility/</p>	
2. Company exerts effort to interact positively with the communities in which it operates	COMPLIANT	<p>1. Identify or provide link/reference to policies, programs and practices to <u>interact positively with the communities in which it operates.</u></p> <p><u>COMPANY'S CORPORATE SOCIAL RESPONSIBILITY PROGRAMS</u> http://pryce.com.ph/corporate-governance/corporate-social-responsibility/</p>	


Pursuant to the requirements of the Securities Regulation Code, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Makati on JUL 24 2020.

SIGNATURES



SALVADOR P. ESCAÑO
Chairman of the Board/
Chief Executive Officer
DL# C10-75-021861 until 11.14.2023



EFFEN A. PALMA
President
DL# M02-92-019608 until 6.20.2024


See Annex "A"
ARNOLD L. BARBA
Independent Director
DL# KO2-74-013022 until 10.08.2022


GENER T. MENDOZA
Independent Director
PASSPORT ID# P7536606A until 06.12.2028


FELICIANO B. HATUD
Corporate Secretary
DL# NO3-97-239404 until 11.11.2022


EARL CHRISTIAN L. LERIO
OIC/VP - Chairman's Office; Alternate
Corporate Information and
Compliance Officer
DL# NO4-11-020235 until 9.16.2021

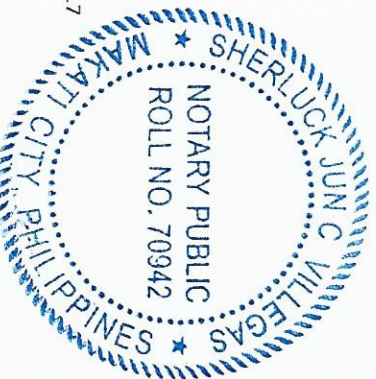

JOSE MA. C. ORDENEZ
SVP-Operations Monitoring; Treasurer;
Corporate Information and Compliance
Officer
DL# N26-08-001284 until 9.16.2024

REPUBLIC OF THE PHILIPPINES)
Makati City) ss.

SUBSCRIBED AND SWORN to before me on JUL 24 2020

, affiants exhibiting to me competent evidence of their identity as above-stated.

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Page No. 49
Book No. 18
Series of 2020.



ATTY. SHERLUCK JUN C. VILLEGAS
Notary Public for Makati City
Appt. No. M-555 until December 2020
Unit 203 LTA Building, 118 Perea St.
Legaspi Village, Makati City
Roll No. 70942
IBP No. 097148 /12-11-2019/ Pasig City
PTR No. 8116035 /01-02-2020/ Makati City
MCLE Compliance No. VI-0028223/ August 13, 2019

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S

AFFIDAVIT

I, **FELICIANO B. HATUD**, of legal age, Filipino, with office address at 17th Floor Pryce Center, 1179 Don Chino Roces Avenue cor. Bagtikan St., Makati City, being the duly elected and qualified Corporate Secretary of Pryce Corporation (the "Corporation"), a Publicly Listed Corporation duly organized and existing under and by virtue of Philippine laws, with principal office at 17th Floor Pryce Center, 1179 Don Chino Roces Avenue cor. Bagtikan St., Makati City after having been sworn to in accordance with law, hereby state that:

1. In compliance with the SEC Memorandum Circular No. 15, Series of 2017 issued by the Securities and Exchange Commission ("SEC"), all Publicly Listed Corporations are required to submit a fully accomplished Integrated Annual Corporate Governance Report ("I-ACGR"), duly signed under oath by the Chairman of the Board, Chief Executive Officer or the President, all Independent Directors, Compliance Officers, and Corporate Secretary, before the SEC and Philippine Stocks Exchange ("PSE");
2. The Corporation has prepared its I-ACGR to disclose its compliance/non-compliance with the recommendations provided under the Code of Corporate Governance for the Publicly Listed Corporations for submission before the SEC and PSE;
3. However, Atty. Arnold Barba ("Atty. Barba"), who is more than sixty-eight (68) years old and one of the Corporation's Independent Directors, will be unable to sign in person the Corporation's I-ACGR as he is currently in the United States of America ("U.S.A.") for medical reasons, among others;
4. Due to the current COVID-19 pandemic crisis that caused the enforcement of the Enhanced Community Quarantine in the Philippines since March 16, 2020 and the great risks he would take with his age and condition, Atty. Barba could not immediately return to the Philippines for purposes of signing the I-ACGR.
5. Notwithstanding the present circumstances, the Corporation deemed it best to furnish him through email a copy of the I-ACGR to read and affirm the contents thereof. In connection therewith, Atty. Barba rendered his electronic signature to attest that he has read and confirmed the contents of the I-ACGR.
6. I am executing this *Affidavit* to attest the truthfulness and veracity of the aforementioned statements for any legal purpose it may serve.

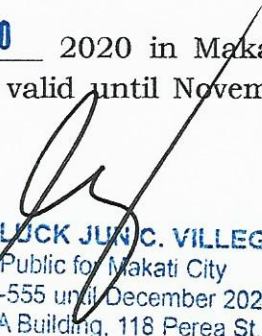
IN WITNESS WHEREOF, I have hereunto affixed my signature this JUL 24 2020 in Makati City.


Feliciano B. Hatud
Corporate Secretary

SUBSCRIBED AND SWORN to before me this JUL 24 2020 2020 in Makati City, affiant exhibiting his Driver's License No. N03-97-239404, valid until November 11, 2022.

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Book No. 18;
Series of 2020




ATTY. SHERLUCK JUN C. VILLEGAS
Notary Public for Makati City
Appt. No. M-555 until December 2020
Unit 3C LTA Building, 118 Perea St.
Legaspi Village, Makati City
Roll No. 70942
IBP No. 097148/12-11-2019/ Pasig City
PTR No. 8116035 /01-02-2020/ Makati City
MCLE Compliance No. VI-0028223/ August 13, 2019



PRYCE CORPORATION

website: www.pryce.com.ph

July 28, 2020

SECURITIES AND EXCHANGE COMMISSION

Corporate Governance and Finance Department

Secretariat Building, PICC Complex

Roxas Blvd. Metro Manila

Attention: **HONORABLE DIRECTOR RACHEL ESTHER J. GUMTANG-REMALANTE**
Director of the Office of Corporate Governance and Finance Department

Re : **COMPLIANCE OF I-ACGR FOR 2019**

Dear Hon. Director Gumtang-Remalante:

In compliance with the SEC Memorandum Circular No. 15, Series of 2017 issued by the Securities and Exchange Commission ("SEC"), Pryce Corporation (the "Company"), a Publicly Listed Corporation, is required to submit a fully accomplished Integrated Annual Corporate Governance Report ("I-ACGR"), duly signed under oath by the Chairman of the Board, Chief Executive Officer or the President, all Independent Directors, Compliance Officers, and Corporate Secretary.

The Company has caused the preparation of the I-ACGR and the same has been duly signed by the aforementioned officers. However, one of its Independent Directors, Atty. Arnold Barba ("Atty. Barba"), is currently in the United States of America ("U.S.A.") for medical reasons, among others.

As the Company wishes to fully comply with the SEC Memorandum Circular No. 15, Series of 2017 despite the present condition of Atty. Barba and the current effects of the COVID-19 pandemic crisis, Atty. Barba would signify his affirmation on the I-ACGR by way of his electronic signature. The Corporate Secretary of the Company has prepared an affidavit to attest the truthfulness of the foregoing circumstance.

In view thereof, the Company is respectfully informing this Honorable Office that the signature of Atty. Barba was given by him through electronic mail and was placed above his name at the signatories' page of the I-ACGR to signify his affirmation to the contents thereof.

Very Truly Yours,


FELICIANO B. HATUD
Corporate Secretary