

**SECURITIES AND EXCHANGE COMMISSION**  
**SEC FORM - I-ACGR**

**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**

1. For the fiscal year ended  
Dec 31, 2023
2. SEC Identification Number  
AS094-006430
3. BIR Tax Identification Number  
003-942-108
4. Exact name of issuer as specified in its charter  
EMPIRE EAST LAND HOLDINGS, INC.
5. Province, country or other jurisdiction of incorporation  
Metro Manila, Philippines
6. Industry Classification Code(SEC Use Only)
  
7. Address of principal office  
2F Tower 2, Kasara Urban Resort Residences, P. Antonio St., Barangay Ugong, Pasig  
City, Philippines  
Postal Code  
1604
8. Issuer's telephone number, including area code  
(632) 85544800
9. Former name, former address, and former fiscal year, if changed since last report  
N/A

*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.*



**Empire East**

**Empire East Land Holdings, Inc.**

# ELI

**PSE Disclosure Form I-ACGR - Integrated Annual Corporate Governance Report**  
*Reference: SEC Code of Corporate Governance for Publicly-Listed Companies, PSE Corporate Governance Guidelines, and ASEAN Corporate Governance Scorecard*

## Description of the Disclosure

Attached is the Integrated Annual Corporate Governance Report (SEC Form I-ACGR) of EMPIRE EAST LAND HOLDINGS, INC. for the year 2023.

## Filed on behalf by:

<b>Name</b>	Dennis Edano
<b>Designation</b>	Corporate Secretary



**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**

	<b>COMPLIANT/ NON- COMPLIANT</b>	<b>ADDITIONAL INFORMATION</b>	<b>EXPLANATION</b>
<b>The Board's Governance Responsibilities</b>			
<b>Principle 1:</b> The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
<b>Recommendation 1.1</b>			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	Empire East Land Holdings, Inc.'s (the " <b>Company's</b> ") Manual on Corporate Governance (revised as of 30 May 2017) (" <b>Revised Manual on Corporate Governance</b> ") states that the Board shall be composed of directors with a collective working knowledge, experience or expertise that is relevant to the Company's industry.	
2. Board has an appropriate mix of competence and expertise.	Compliant		

<p>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.</p>	<p>Compliant</p>	<p>The Company's Board has a mix of competence and expertise appropriate and relevant to the Company's business as a real estate company. The composition of the Board, and the qualifications and disqualifications of directors are specifically set out in the Revised Manual on Corporate Governance.</p> <p><b>Revised Manual on Corporate Governance, Items 3.2.2, 3.2.3 and 3.2.4 pp. 5-9</b></p> <p><a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p> <p>In addition, the academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of the directors in 2023 are disclosed in the Company's 2023 Annual Report, 2023 Definitive Information Statement, and Company Website.</p> <p><b>2023 Annual Report, Part III Item 10, pp.27-30</b></p> <p><a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abca0fa0c5b4e4d0</a></p> <p><b>2023 Definitive Information Statement, pp 24-26</b></p> <p><a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=81659ed1097083099e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=81659ed1097083099e4dc6f6c9b65995</a></p> <p><b>Company Website</b></p>	
---	------------------	---	--

		<a href="https://www.empire-east.com/our-management">https://www.empire-east.com/our-management</a>	
<b>Recommendation 1.2</b>			
1. Board is composed of a majority of non-executive directors.	Compliant	<p>Five (5) out of the seven (7) directors of the Corporation are non-executive directors, namely:</p> <ol style="list-style-type: none"> <li>1. Andrew L. Tan</li> <li>2. Cresencio P. Aquino</li> <li>3. Sergio R. Ortiz-Luis, Jr.</li> <li>4. Enrique Santos L. Sy</li> <li>5. Kevin Andrew L. Tan</li> </ol> <p>The following are the executive directors of the Corporation:</p> <ol style="list-style-type: none"> <li>1. Anthony Charlemagne C. Yu (President and CEO)</li> <li>2. Evelyn G. Cacho (Senior Vice-President, Corporate Information Officer and Compliance Officer – Retired as of 01 February 2024)</li> </ol> <p><b>2023 General Information Sheet</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=9602a46fa4f56094abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=9602a46fa4f56094abca0fa0c5b4e4d0</a></p> <p><b>2023 Definitive Information Statement, p. 24</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=81659ed1097083099e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=81659ed1097083099e4dc6f6c9b65995</a></p>	

**Recommendation 1.3**

1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	Directors are required to attend relevant annual continuing training for at least four hours to promote effective board performance and to assist in carrying out their duties and responsibilities.  <b>Revised Manual on Corporate Governance, Item 3.2.6(E), p. 10</b> <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a>	
2. Company has an orientation program for first time directors.	Compliant	The Company provides an orientation program for first time directors to ensure proper onboarding (e.g., orientation on the Company's business, articles of incorporation and by-laws, among others).  <b>Revised Manual on Corporate Governance, Items 3.1(A), p. 4, and 3.2.12(E), p. 21</b> <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a>	

<p>3. Company has relevant annual continuing training for all directors.</p>	<p>Compliant</p>	<p>The Company holds relevant annual continuing training for all directors to promote effective board performance and continuing qualification of the directors in carrying out their duties and responsibilities. In 2023, the Company held Corporate Governance Training seminars for its directors and key officers. The seminars were facilitated by the Center for Training and Development Inc. and the Institute of Corporate Directors.</p> <p><b>Revised Manual on Corporate Governance, Item 3.2.6(E), p. 10</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p> <p><b>PSE Disclosure Form 17-18, Letters with Certifications of Completion for Year 2023</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=63f0a260c3896eb89e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=63f0a260c3896eb89e4dc6f6c9b65995</a></p> <p><a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=51f89d36fddd6e829e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=51f89d36fddd6e829e4dc6f6c9b65995</a></p>	
<p><b>Recommendation 1.4</b></p>			



<p>1. Board has a policy on board diversity.</p>	<p>Compliant</p>	<p>The Revised Manual on Corporate Governance provides that the Board shall be composed of directors with a collective working knowledge, expertise or experience that is relevant to the Corporation's industry. The Board shall ensure that it has an appropriate mix</p> <p>The Board membership includes executive and non-executive directors to prevent any directors or small group of directors from dominating the decision making process.</p> <p>To the extent possible, the Company tries to encourage nominees with different backgrounds, different genders, and from different sectors.</p> <p><b>Revised Manual on Corporate Governance, Item 3.2.2, pp. 6-7</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	<p>As of 31 December 2023 and at present, the Board is composed of directors of different ranges and with a wide-range of expertise, qualifications and academic backgrounds. Out of the seven (7) members of the Board, six (6) directors are male and one (1) director is female.</p> <p><b>2023 Annual Report, Part III Item 10, pp.27-30</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abca0fa0c5b4e4d0</a></p> <p><b>2023 General Information Statement</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=9602a46fa4f56094abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=9602a46fa4f56094abca0fa0c5b4e4d0</a></p>
<p><b>Optional: Recommendation 1.4</b></p>			
<p>1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.</p>			

Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	<p>The qualifications, duties and responsibilities of the Corporate Secretary are provided in Amended By-Laws, as well as the Revised Manual on Corporate Governance.</p> <p><b>Amended By- Laws, Article III, Sec. 6 Revised Manual on Corporate Governance, Item 3.3 (pp. 23-24)</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	<p>As of 31 December 2023 and at present, the Corporation's Corporate Secretary is Atty. Dennis E. Edaño.</p> <p>Atty. Edaño is not the Compliance Officer of the Corporation. The Company's Compliance Officer in 2023 was Ms. Evelyn G. Cacho. In view of Ms. Cacho's retirement, Mr. Lino Victorioso, Jr, was appointed as the Company's Compliance Officer effective 1 February 2024.</p> <p>Atty. Edaño is likewise not a member of the Board of Directors.</p> <p><b>2023 General Information Statement</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=9602a46fa4f56094abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=9602a46fa4f56094abca0fa0c5b4e4d0</a></p> <p><b>2023 Annual Report, Part III Item 10, pp.24-27</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abca0fa0c5b4e4d0</a></p>
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		

<p>4. Corporate Secretary attends training/s on corporate governance.</p>	<p>Compliant</p>	<p>The Corporate Secretary, Atty. Edaña has attended a seminar the corporate governance for year 2023. The Certificate of Completion evidencing his attendance was submitted to both the Securities and Exchange Commission ("<b>SEC</b>") and Philippine Stock Exchange ("<b>PSE</b>").</p> <p><b>PSE Disclosure Form 17-18, Letters with Certifications of Completion for Year 2023</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=51f89d36fddd6e829e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=51f89d36fddd6e829e4dc6f6c9b65995</a></p>	
<b>Optional: Recommendation 1.5</b>			
<p>1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.</p>			

Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	The qualifications, duties and responsibilities of the Compliance Officer are provided in the Revised Manual of Corporate Governance.	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant	<p><b>Revised Manual of Corporate Governance, Item 3.1, pp. 4-5</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	
3. Compliance Officer is not a member of the board.	Non-Compliant	<p>As of 31 December 2023, the Corporation's Compliance Officer is Ms. Evelyn G. Cacho, who has a rank of Senior Vice President and is a member of the Board. In view of Ms. Cacho's retirement, Mr. Lino Victorioso, Jr, was appointed as the Company's Compliance Officer effective 1 February 2024. Mr. Lino Victorioso, Jr. is not a member of the Board as of current date.</p> <p><b>2023 General Information Statement</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=9602a46fa4f56094abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=9602a46fa4f56094abca0fa0c5b4e4d0</a></p>	<p>Although Ms. Cacho is a member of the Board, she has been exercising functions as Compliance Officer even before her election to the Board and ensures that her responsibilities as Compliance Officer</p>

<p>4. Compliance Officer attends training/s on corporate governance.</p>	<p>Compliant</p>	<p>Ms. Cacho has attended a seminar on corporate governance for year 2023. The Certificate of Completion evidencing his attendance was submitted to the SEC and the PSE.</p> <p><b>PSE Disclosure Form 17-18, Letters with Certifications of Completion for Year 2023</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=51f89d36fddd6e829e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=51f89d36fddd6e829e4dc6f6c9b65995</a></p>	
--	------------------	--	--

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

**Recommendation 2.1**

<p>1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.</p>	<p>Compliant</p>	<p>The Board acts on a fully-informed basis, in good faith, with due diligence and care and in a manner consistent with its corporate objectives and the long-term best interests of its stockholders and other stakeholders.</p> <p><b>Revised Manual on Corporate Governance, Item 3.2.5, pp. 9</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	
---	------------------	--	--

**Recommendation 2.2**

<p>1. Board oversees the development, review and approval of the company's business objectives and strategy.</p>	<p>Compliant</p>	<p>The Board oversees the development of and approves the Company's business objectives and strategy and monitors the implementation thereof, in order to sustain long-term viability and strength.</p> <p><b>Revised Manual on Corporate Governance, Item 3.2.5, pp. 9</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	
<p>2. Board oversees and monitors the implementation of the company's business objectives and strategy.</p>	<p>Compliant</p>		

**Supplement to Recommendation 2.2**

<p>1. Board has a clearly defined and updated vision, mission and core values.</p>	<p>Compliant</p>	<p>The Board adheres to the Company's mission, vision and corporate values, which are provided in the Company Website.</p> <p><b>Vision</b> To be a brand of home that understands the humanity of its dwellers and crafts a cityscape of lifestyle empowerment.</p> <p><b>Mission</b> To build homes with a blueprint that reflects the reality of the all-time wants and needs of aspiring homebuyers, integrated into dynamic communities engineered thru innovative and pioneering lifestyle concepts.</p> <p><b>Corporate Values</b></p> <p>1. Commitment to Buyers Empire East has a well-known track record of project completion and delivery as a testament to its 100% commitment to the vision of creating quality homes for aspiring homeowners. Each development concept and construction come with unique features and elegant design that meet and even exceed every client's discerning expectations. Empire East honors the trust that each buyer gives them and assures that it is being atoned equitably and excellently.</p> <p>2. Home and Family Building A family is considered a special atom that composes a nation. It is therefore considered the basic unit of society, from whom today's active doers and leaders</p>	
--	------------------	--	--

		<p>are nurtured. Aiming for better relations and stronger values within this system is crucial in building a community that unites in the common goal of economic, social and political stride. It is therefore essential for this unit to be placed in an environment that instigates forward thinkers and in a place that is conducive to one's personal growth. Through Empire East's integrated township concepts, each person automatically has a healthier ground to plant its roots and to progressively grow. Through this, Empire East can fulfill its goal to help sustain the country's continuous development.</p> <p>3. National Progress and Prosperity A progressive cityscape is a sign of an improving country and urban lifestyle. Empire East is dedicated to continuing to uplift the lives of Filipinos by providing a variety of developments located at strategic addresses in metro manila. This innovation aims to bring every essential lifestyle closer to its dwellers to offer urgent attention to each dynamic city need. Its premier concepts that incorporate resort-inspired lifestyles and transit-oriented living into people's homes open each person's minds to better standards of life which in turn, pull up the values of others they interact with.</p> <p>4. Expansion of Ideas and Vision Empire East values the importance of ideas from which more significant concepts come from. The company</p>	
--	--	--	--



		<p>believes that big changes are not possible without that seed of change. Everything starts with a vision, which is slowly manifested into reality. Empire East is inspired by its Chairman Dr. Andrew L. Tan, who started his company only from a dream of producing exceptional living spaces for aspiring families. Thirty years later, he was not only able to provide homes but also, he was able to create the best lifestyles that Filipinos deserve.</p> <p><b>Company Website</b>  <a href="https://www.empire-east.com/our-company">https://www.empire-east.com/our-company</a></p> <p><b>Revised Manual on Corporate Governance, Item 3.2.5, pp. 9-10</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></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><b>Revised Manual on Corporate Governance, Item 3.2.5, pp. 9-10</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	
<p><b>Recommendation 2.3</b></p>			

<p>1. Board is headed by a competent and qualified Chairperson.</p>	<p>Compliant</p>	<p>The Company is competently and ably headed by its Chairman, <b>Dr. Andrew L. Tan</b>. Dr. Tan is the Chairman of the Board and President of Megaworld Corporation, a publicly listed corporation and the parent of the Company. He pioneered the live-work-play-learn model in real estate development, which was a game changer in the industry.</p> <p>Dr. Tan's professional background and qualifications are set out in the Company Website, as well as the 2023 Annual Report.</p> <p><b>Company Website</b>  <a href="https://www.empire-east.com/our-management">https://www.empire-east.com/our-management</a></p> <p><b>2023 Annual Report, Part III Item 10, p.27</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abc00fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abc00fa0c5b4e4d0</a></p>	
---	------------------	--	--

Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	The Board implements a process for the selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies, and for the appointment of competent, professional, honest and highly-motivated management officers.	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant	<p>The Amended By-Laws of the Corporation likewise provides for the process of filling-in vacancies to the Board and management positions.</p> <p><b>Revised Manual on Corporate Governance, Items 3.2.6(A) and (B), p. 10</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p> <p><b>Amended By-Laws, Article II, Sec. 4 and Article III, Sec. 2</b>  <a href="https://www.empire-east.com/structures">https://www.empire-east.com/structures</a></p>	
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	The Company sets the remuneration of the key officers and Board members to a level that is sufficient to be able to attract and retain the services of qualified and competent directors and officers. A portion of the remuneration of executive directors may be structured or be based	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant		

<p>3. Directors do not participate in discussions or deliberations involving his/her own remuneration.</p>	<p>Compliant</p>	<p>on corporate and individual performance. The Board aligns the remuneration of key officers and Board members with the long-term interests of the Company.</p> <p>The Company may establish formal and transparent procedures for the development of a policy on executive remuneration or determination of remuneration levels for individual directors and officers depending on the particular needs of the Company. No director should participate in deciding on his remuneration.</p> <p>The Corporate Governance Committee is specifically tasked to establish a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the Company's culture and strategy as well as the business environment in which it operates.</p> <p><b>Revised Manual on Corporate Governance, Item 3.2.10, p. 14, Item 3.2.11.1(F), p. 15</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	
--	------------------	---	--

**Optional: Recommendation 2.5**

1. Board approves the remuneration of senior executives.			
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.			
<b>Recommendation 2.6</b>			
1. Board has a formal and transparent board nomination and election policy.	Compliant	Item 3.2.11.1(I)(pp. 15-16) of the Revised Manual on Corporate Governance provides for the nomination and election policy and procedures.	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	Item 3.2.11.1(G) (p. 15) of the Revised Manual on Corporate Governance provides for the duty of the Corporate Governance Committee to review, evaluate, pre-screen and shortlist candidates nominated to become members of the Board.  Finally, Item 4(VIII) (p. 29) of the Revised Manual on Corporate Governance informs the stockholders of their right to nominate candidates to the Board of Directors.	
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		
			<b>Revised Manual on Corporate Governance</b> <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a>

6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		
<b>Optional: Recommendation to 2.6</b>			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.			

Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	The Board's duty to ensure that there is a group-wide policy and system governing RPTS is provided in Item 3.2.5 (p. 9) of the Revised Manual on Corporate Governance, and Item IV.1 (pp 5-6) of the Company's RPT Policy.	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	The Company's RPT Policy provides for identification, review and approval of material RPTs in order to guarantee fairness and transparency in transactions (Item V, pp 7-11).	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant	<p>The RPT Policy further provides for broad definitions and coverage of RPTs and related parties (Item III, pp. 2-3).</p> <p><b>Revised Manual on Corporate Governance and RPT Policy</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p> <p>RPTs involving the Company are further defined and disclosed in its 2023 Audited Consolidated Financial Statements, attached to the 2023 Annual Report</p> <p><b>2023 Audited Consolidated Financial Statements (Note 25), attached to the 2023 Annual Report</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abc00fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abc00fa0c5b4e4d0</a></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>Materiality threshold for RPTs is defined in the RPT Policy. The threshold further considers aggregate RPTs entered into with the same related party over a twelve (12)-month period.</p> <p>Similar definitions are likewise provided in the Corporation's Audited Consolidated Financial Statements.</p> <p><b>RPT Policy, Item III, p. 3 and Item V, 5, p. 9</b> <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p> <p><b>2023 Audited Consolidated Financial Statements (Note 25), attached to the 2023 Annual Report</b> <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abc0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abc0fa0c5b4e4d0</a></p>	
--	------------------	---	--



<p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p>	<p>Compliant</p>	<p>The RPT Policy provides for a voting system for specific types of RPTs, both at the level of the Board and the shareholders. In case of a material RPT, the affirmative vote of at least 2/3 of the Board, with a least a majority of the independent directors, is necessary to approve the same. In case majority of the independent directors' vote is not secured, the material RPT may be ratified by the vote of 2/3 of the outstanding capital stock.</p> <p>In addition, RPTs are disclosed in the Corporation's Audited Consolidated Financial Statements, which are attached to both SEC Form 17-A and DIS, and presented to the shareholders. The acts of Board of Director, Board Committees and Management are ordinarily ratified every annual meeting of the stockholders.</p> <p><b>RPT Policy, Item V,5, p. 9</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	
--	------------------	--	--

**Recommendation 2.8**

<p>1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	Compliant	<p>The Revised Manual on Corporate Governance provides for the Board's duty to appoint competent, professional, honest and highly-motivated management officers. These management officers include the Chief Executive Officer and the Compliance Officer.</p> <p><b>Revised Manual on Corporate Governance, Item 3.2.6(A), p.10</b> <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	<p>For year 2023, the following management officers were appointed by the Board in its organizational meeting held on 06 June 2023:</p> <p><b>Atty. Anthony Charlemagne C. Yu</b> – President / Chief Executive Officer <b>Evelyn G. Cacho</b> - Senior Vice President / Corporate Information Officer / Compliance Officer (retired effective 1 February 2024) <b>Jhoanna Lyndelou T. Llaga</b> – Senior Vice President for Marketing <b>Dennis E. Edaña</b> - Corporate Secretary / First Vice President for Legal and Corporate Affairs <b>Celeste Z. Sioson-Bumatay</b> - Asst. Corporate Secretary / First Vice President for Credit and Collection <b>Franemil T. Ramos</b>- First Vice President for Management Information System <b>Armiel Victor A. Asuncion</b> - Senior Assistant Vice President for Human Resources <b>Kim Camille Manansala</b> – Senior Asst. Vice President for Audit and Management Services <b>Giovanni C. Ng</b> - Treasurer</p> <p><b>SEC Form 17-C (Results of Organizational Meeting)</b> <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=5663e175c574a5b39e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=5663e175c574a5b39e4dc6f6c9b65995</a></p> <p><b>2023 Definitive Information Statement, p.24</b> <a href="https://edge.pse.com.ph/openDiscViewer.d">https://edge.pse.com.ph/openDiscViewer.d</a></p>
--	-----------	--	---

			<p><a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=81659ed1097083099e4dc6f6c9b65995">o?edge_no=81659ed1097083099e4dc6f6c9b65995</a></p> <p>In addition, the Board appointed Mr. Lino P. Victorioso, Jr. as Chief Financial Officer of the Company at the Board meeting held on 18 September 2023. Upon Ms. Cacho's retirement, Mr. Victorioso, Jr. was likewise appointed as Corporate Information Officer and Compliance Officer effective 01 February 2024.</p> <p><b>SEC Form 17-C (Change in Directors and/or Officers)</b></p> <p><a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=af0b07441aab979c9e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=af0b07441aab979c9e4dc6f6c9b65995</a></p> <p><a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=4c464e183e156e0eabca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=4c464e183e156e0eabca0fa0c5b4e4d0</a></p>
<p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>Compliant</p>	<p>The Board has a duty to periodically monitor and assess Management's overall performance based on established performance standards that are consistent with the Company's strategic objective.</p> <p><b>Revised Manual on Corporate Governance, Item 3.2.6(C), p.10</b></p> <p><a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	
<p><b>Recommendation 2.9</b></p>			

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 formulates policies, procedures and means to effectively monitor Management's performance.</p> <p>The Board periodically evaluates and monitors the implementation of policies and strategies, including the business plans and operating budgets, and monitors and assesses the Management's overall performance based on established performance standards that are consistent with the Company's strategic objectives.</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	<p><b>Revised Manual on Corporate Governance</b>, Items 3.2.5 and 3.2.6(C), p.9-10  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	
<b>Recommendation 2.10</b>			
1. Board oversees that an appropriate internal control system is in place.	Compliant	The directors are required by the Company to conduct fair business transactions with the Company, and ensure that each one's personal interest does not conflict with the interests of the Company. The basic principle to be observed is that a director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality.	
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	<p>The Board's internal control responsibilities are embodied in Items</p>	

		<p>3.2.6(L)(p. 11) and 3.2.8 (p. 13) of the Revised Manual on Corporate Governance. The Board has formed an Audit Committee, composed of three (3) members of the Board, which has oversight capability over the Company's internal control system (Item 3.2.11.3, p. 17). The Audit Committee stays alert for any potential conflict of interest situations.</p> <p>While the Corporation has no separate Internal Audit Charter, internal audit processes are contained in the Audit Committee Charter.</p> <p><b>Revised Manual on Corporate Governance</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p> <p><b>Audit Committee Charter</b>  <a href="https://www.empire-east.com/download/downloadables/264">https://www.empire-east.com/download/downloadables/264</a></p>	
--	--	--	--

Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	The Board's risk management responsibilities are embodied in Items 3.2.6(l)(p. 11) and 3.2.8 (p. 13) of the Revised Manual Corporate Governance.	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant	<p>The Company has developed an Enterprise Risk Management document, which provides for the risk management policies of the Company. The Board, thru the Audit Committee, periodically reviews the effectiveness of the Company's risk management systems with emphasis on monitoring of existing and emerging risks as well as risk mitigation measures.</p> <p><b>Revised Manual Corporate Governance</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p> <p><b>Enterprise Risk Management document</b>  <a href="https://www.empire-east.com/download/downloadables/3">https://www.empire-east.com/download/downloadables/3</a></p>	
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	While the Company has no formal Board Charter, the roles, responsibilities and accountabilities of the Board are clearly provided in the Revised Manual of Corporate Governance, Amended By-Laws and the charters of the Board committees. These documents are publicly-available and posted on the Company Website.	
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	<b>Company Website</b> <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a>	
<b>Additional Recommendation to Principle 2</b>			
1. Board has a clear insider trading policy.	Compliant	The Corporation has adopted an Insider Trading Policy, which forms part of the Company's Policies.  <b>The Company's Policies</b> <a href="https://www.empire-east.com/download/downloadables/12">https://www.empire-east.com/download/downloadables/12</a>	
<b>Optional: Principle 2</b>			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.			
2. Company discloses the types of decision requiring board of directors' approval.			
<b>Principle 3:</b> Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
<b>Recommendation 3.1</b>			

<p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	<p>Compliant</p>	<p>During the organizational meeting of the Board held on 06 June 2023, the Board organized themselves into the following committees: (i) Executive Committee, (ii) Audit Committee, (iii) Corporate Governance Committee, (iv) Board Risk Oversight Committee, and (v) Related Party Transaction Committee.</p> <p><b>SEC Form 17-C (Results of Organizational Meeting)</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=5663e175c574a5b39e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=5663e175c574a5b39e4dc6f6c9b65995</a></p> <p><b>Revised Manual on Corporate Governance, Item 3.2.11, pp. 14-20</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	
<b>Recommendation 3.2</b>			
<p>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.</p>	<p>Compliant</p>	<p>The Audit Committee has oversight capability over the Company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.</p> <p><b>Revised Manual on Corporate Governance, Item 3.2.11.3, pp. 17-19</b>  <b>Audit Committee Charter</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></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><b>Revised Manual on Corporate Governance, Item 3.2.11.3, p.17</b>  <b>Audit Committee Charter, Item II(A), p. 1</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	<p>The Audit Committee for year 2023 is composed of three (3) members, namely:</p> <ol style="list-style-type: none"> <li>1. Cresencio P. Aquino (Independent Director) - Chairman</li> <li>2. Sergio R. Ortiz-Luis, Jr. (Independent Director) - Member</li> <li>3. Evelyn G. Cacho – Member</li> </ol> <p>Majority of the members of the Audit Committee, including the Chairman, are independent directors.</p> <p><b>SEC Form 17-C (Results of Organizational Meeting)</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=5663e175c574a5b39e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=5663e175c574a5b39e4dc6f6c9b65995</a></p> <p><b>2023 General Information Statement</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=9602a46fa4f56094abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=9602a46fa4f56094abca0fa0c5b4e4d0</a></p>
---	------------------	--	---

<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	<p>Compliant</p>	<p><b>Revised Manual on Corporate Governance, Item 3.2.11.14, p.19</b>  <b>Audit Committee Charter, Item II(B), p. 1</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	<p>The members of the committee have relevant background, knowledge, skills, and/or experience in the areas of legal compliance, management, financial/operations audit, treasury and general accounting. The professional background, knowledge, skills, and/or experience of the members of the Audit Committee are provided in the Company's 2023 Annual Report.</p> <p><b>2023 Annual Report, Part III Item 10, pp.28-29</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abca0fa0c5b4e4d0</a></p>
<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	<p>Non-compliant</p>		<p>Although the Chairman of the Audit Committee is likewise the chairman of other committees, he is an Independent Director, which ensures his independence from Management. He is also able to manage his time and responsibilities despite the multiple chairmanships.</p>
<p><b>Supplement to Recommendation 3.2</b></p>			
<p>1. Audit Committee approves all non-audit services conducted by the external auditor.</p>	<p>Compliant</p>	<p>The Audit Committee evaluates and approves non-audit work by external auditor, including the fees payable therefor.</p> <p><b>Revised Manual on Corporate Governance, Item 3.2.11.3(K), p.19</b>  <b>Audit Committee Charter, Item IV(e), p. 4</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	

2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Non-Compliant		Under the Audit Committee Charter, the Audit Committee reviews with management and external auditors the results of the audit, including any difficulties encountered and other issues warranting the attention of the Committee, and resolve any disagreements between management and the external auditors regarding financial reporting. Meetings are not held regularly but as may be needed depending on the results of the review. There is no prohibition against the Audit Committee meeting with the external audit team without anyone from management present.
<b>Optional: Recommendation 3.2</b>			
1. Audit Committee meet at least four times during the year.			
2. Audit Committee approves the appointment and removal of the internal auditor.			
<b>Recommendation 3.3</b>			

<p>1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.</p>	<p>Compliant</p>	<p>The Corporate Governance Committee is tasked to assist the Board in the performance of its corporate governance responsibilities. The Corporate Governance Committee is likewise tasked with establishing a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers, as well as reviewing, evaluating, pre-screening and shortlisting all candidates nominated to become a member of the Board of Directors and other appointments requiring Board approval.</p> <p><b>Revised Manual on Corporate Governance, Item 3.2.11.1, pp. 14-16</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	
--	------------------	---	--

<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	<p>Non-compliant</p>		<p>The Corporate Governance Committee for year 2023 is composed of three (3) members, two (2) of whom are independent directors, namely:</p> <ol style="list-style-type: none"> <li>1. Cresencio P. Aquino (Independent Director) - Chairman</li> <li>2. Sergio R. Ortiz-Luis, Jr. (Independent Director) - Member</li> <li>3. Enrique Santos L. Sy – Member</li> </ol> <p><b>SEC Form 17-C (Results of Organizational Meeting)</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=5663e175c574a5b39e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=5663e175c574a5b39e4dc6f6c9b65995</a></p> <p><b>2023 General Information Statement</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=9602a46fa4f56094abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=9602a46fa4f56094abca0fa0c5b4e4d0</a></p>
<p>3. Chairman of the Corporate Governance Committee is an independent director.</p>	<p>Compliant</p>	<p><b>Revised Manual on Corporate Governance, Item 3.2.11.1, p. 14</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	<p>The Chairman of the Corporate Governance Committee is Cresencio P. Aquino, an independent director.</p> <p><b>SEC Form 17-C (Results of Organizational Meeting)</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=5663e175c574a5b39e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=5663e175c574a5b39e4dc6f6c9b65995</a></p> <p><b>2023 General Information Statement</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=9602a46fa4f56094abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=9602a46fa4f56094abca0fa0c5b4e4d0</a></p>

Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.			
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	<p>The Board Risk Oversight Committee is responsible for the oversight of the Company's Enterprise Risk Management system to ensure its functionality and effectiveness.</p> <p><b>Revised Manual on Corporate Governance, Item 3.2.11.2, pp. 16-17</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	<p><b>Revised Manual on Corporate Governance, Item 3.2.11.2, p. 16</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	<p>The BROC for year 2023 is composed of three (3) members, two (2) of whom are independent directors, namely:</p> <ol style="list-style-type: none"> <li>1. Sergio R. Ortiz-Luis, Jr. (Independent Director) – Chairman</li> <li>2. Cresencio P. Aquino (Independent Director) – Member</li> <li>3. Enrique Santos L. Sy – Member</li> </ol> <p><b>SEC Form 17-C (Results of Organizational Meeting)</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=5663e175c574a5b39e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=5663e175c574a5b39e4dc6f6c9b65995</a></p> <p><b>2023 General Information Statement</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=9602a46fa4f56094abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=9602a46fa4f56094abca0fa0c5b4e4d0</a></p>

<p>3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.</p>	<p>Compliant</p>	<p><b>Revised Manual on Corporate Governance. Item 3.2.11.2, p. 16</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	<p>The BROC Chairman, Mr. Ortiz-Luis, Jr. is not the Chairman of the Board or of any other committee of the Corporation.</p> <p><b>SEC Form 17-C (Results of Organizational Meeting)</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=5663e175c574a5b39e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=5663e175c574a5b39e4dc6f6c9b65995</a></p> <p><b>2023 General Information Statement</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=9602a46fa4f56094abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=9602a46fa4f56094abca0fa0c5b4e4d0</a></p>
<p>4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.</p>	<p>Compliant</p>		<p>The members of the BROC are seasoned businessmen with wide experience in managing businesses in various fields, and have thorough experience on risk and risk management. The qualifications of the BROC members are provided in the 2023 Annual Report.</p> <p><b>2023 Annual Report, Part III Item 10, pp.28-30</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abca0fa0c5b4e4d0</a></p>

**Recommendation 3.5**

<p>1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.</p>	<p>Compliant</p>	<p>The Related Party Transactions Committee is tasked with reviewing all material related party transactions of the Company.</p> <p><b>Revised Manual on Corporate Governance, Item 3.2.11.4, pp. 19-20</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	
<p>2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.</p>	<p>Compliant</p>	<p><b>Revised Manual on Corporate Governance, Item 3.2.11.4, p. 19</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	<p>The RPT Committee for year 2023 is composed of three (3) members, two (2) of whom are independent directors, and all of whom are non-executive directors, namely:</p> <ol style="list-style-type: none"> <li>1. Cresencio P. Aquino (Independent Director) – Chairman</li> <li>2. Sergio R. Ortiz-Luis, Jr. (Independent Director) – Member</li> <li>3. Enrique Santos L. Sy – Member</li> </ol> <p><b>SEC Form 17-C (Results of Organizational Meeting)</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=5663e175c574a5b39e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=5663e175c574a5b39e4dc6f6c9b65995</a></p> <p><b>2023 General Information Statement</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=9602a46fa4f56094abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=9602a46fa4f56094abca0fa0c5b4e4d0</a></p>
<p><b>Recommendation 3.6</b></p>			



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.	Non-compliant		The Audit Committee has a charter. The other committees are in the process of obtaining appropriate approvals for their respective charters. Notwithstanding the lack of charters, the other Board committees adopt the general principles embodied in the Revised Manual on Corporate Governance, company policies and relevant rules and regulations in effectively discharging their functions .
2. Committee Charters provide standards for evaluating the performance of the Committees.	Non-compliant		
3. Committee Charters were fully disclosed on the company's website.	Compliant	<p>The Audit Committee Charter is fully disclosed and posted on the Company Website.</p> <p><b>Company Website</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	

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

**Recommendation 4.1**

<p>1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.</p>	<p>Compliant</p>	<p>Directors have the duty to devote the time and attention necessary to properly and effectively perform their duties and responsibilities. Directors should attend and actively participate in Board, committee and shareholders' meetings, in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent them from doing so.</p> <p><b>Revised Manual on Corporate Governance, Items 3.2.6(M), p. 11 and 3.2.7(B), p. 12</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	<p>The Company conducts scheduled regular and special Board meetings, if necessary. In 2023, the Board convened 23 times. All directors had perfect attendance.</p> <p><b>PSE Disclosure Form 17-18 Other SEC Forms/ Reports/Requirements (Attendance of Directors for 2023)</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=3819c343ee7020adabca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=3819c343ee7020adabca0fa0c5b4e4d0</a></p>
<p>2. The directors review meeting materials for all Board and Committee meetings.</p>	<p>Compliant</p>	<p>In Board and Committee meetings, directors are expected to have reviewed meeting materials.</p> <p><b>Revised Manual on Corporate Governance, Item 3.2.7(B), p. 12</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	

<p>3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.</p>	<p>Compliant</p>	<p>If called for, directors are encouraged to ask the necessary questions or seek clarifications or explanations in Board and Committee meetings.</p> <p><b>Revised Manual on Corporate Governance, Item 3.2.7(B) and (C), p. 12</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	
<b>Recommendation 4.2</b>			
<p>1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.</p>	<p>Non-Compliant</p>	<p><b>Revised Manual on Corporate Governance, Item 3.2.2, p. 7</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	<p>Sergio R. Ortiz-Luis, Jr., independent director, serves concurrently as director in more than five publicly-listed companies. This notwithstanding, he is able to manage his time and responsibilities, and participates in Board meetings, as reflected in his 100% attendance rate for 2023.</p> <p><b>PSE Disclosure Form 17-18 Other SEC Forms/ Reports/Requirements (Attendance of Directors for 2023)</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=3819c343ee7020adabca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=3819c343ee7020adabca0fa0c5b4e4d0</a></p>
<b>Recommendation 4.3</b>			

<p>1. The directors notify the company's board before accepting a directorship in another company.</p>	<p>Compliant</p>	<p>A director shall notify the Board where he/she is an incumbent director before accepting a directorship in another company for the Company to be able to assess if his/her responsibilities and commitment to the Company will be affected.</p> <p><b>Revised Manual on Corporate Governance, Item 3.2.13, p. 22.</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	
<p><b>Optional: Principle 4</b></p>			
<p>1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.</p>	<p>Compliant</p>	<p>The Company's executive directors, Anthony Charlemagne Yu and Evelyn Cacho, do not serve in more than two boards of listed companies outside of the group.</p>	
<p>2. Company schedules board of directors' meetings before the start of the financial year.</p>			
<p>3. Board of directors meet at least six times during the year.</p>	<p>Compliant</p>	<p>In 2023, the Board convened 23 times. All directors had perfect attendance, which is more than the 2/3 minimum quorum provided in Item 4.</p>	
<p>4. Company requires as minimum quorum of at least 2/3 for board decisions.</p>	<p>Compliant</p>	<p><b>PSE Disclosure Form 17-18 Other SEC Forms/ Reports/Requirements (Attendance of Directors for 2023)</b>  <a href="https://edge.pse.com.ph/openDiscView.er.do?edge_no=3819c343ee7020adabc00fa0c5b4e4d0">https://edge.pse.com.ph/openDiscView.er.do?edge_no=3819c343ee7020adabc00fa0c5b4e4d0</a></p>	

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

**Recommendation 5.1**

<p>1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.</p>	<p>Non-compliant</p>		<p>The Company has two (2) independent directors, which is compliant under the Securities Regulation Code (SRC) and the rules and regulations of the SEC requiring a company to have at least 20% of the number of directors or two (2), whichever is lower, but in no case less than two.</p>
---	----------------------	--	--

**Recommendation 5.2**

<p>1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.</p>	<p>Compliant</p>	<p><b>Revised Manual of Corporate Governance, Item 3.2.2, p.5-7</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	<p>The independent directors possess all the qualifications and none of the disqualifications to hold their positions. The independent directors' qualifications are provided in the 2023 Definitive Information Statement and the 2023 Annual Report.</p> <p><b>2023 Definitive Information Statement, p. 24-26</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=81659ed1097083099e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=81659ed1097083099e4dc6f6c9b65995</a></p> <p><b>2023 Annual Report, p. 28-29</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abca0fa0c5b4e4d0</a></p>
---	------------------	--	---

**Supplement to Recommendation 5.2**

<p>1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.</p>	<p>Compliant</p>	<p>The Board endeavors to exercise an objective and independent judgment on all corporate affairs. As such, the Company has no shareholder agreements, by-laws provisions or other arrangements that constrain the directors' ability to vote independently.</p> <p><b>Revised Manual of Corporate Governance, Item 3.2.7(D), p. 12</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	
<b>Recommendation 5.3</b>			
<p>1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).</p>	<p>Compliant</p>	<p>The independent directors shall serve for a maximum cumulative term of nine (9) years. After which, the independent director should be perpetually barred from reelection as such in the Corporation but may continue to qualify for nomination and election as a non-independent director. If the Corporation wants to retain an independent director who has served for nine years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting.</p> <p><b>Revised Manual of Corporate Governance, Item 3.2.2, p. 5</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	<p>None of the current and incumbent Independent Directors of the Company has exceeded the cumulative of nine years, reckoned from 2012, during the period.</p>
<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	<p>Compliant</p>		
<p>3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.</p>	<p>Compliant</p>		
<b>Recommendation 5.4</b>			

<p>1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.</p>	<p>Compliant</p>	<p>The Chairman of the Board is Dr. Andrew L. Tan, while the Chief Executive Officer ("CEO")/President is Atty. Anthony Charlemagne C. Yu.</p> <p><b>SEC Form 17-C (Results of Organizational Meeting)</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=5663e175c574a5b39e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=5663e175c574a5b39e4dc6f6c9b65995</a></p> <p><b>2023 General Information Statement</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=9602a46fa4f56094abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=9602a46fa4f56094abca0fa0c5b4e4d0</a></p>	
<p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p>	<p>Compliant</p>	<p>The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities. The specific and distinct duties and responsibilities of the Chairman and the Chief Executive Officer /President are provided in the Revised Manual of Corporate Governance, as well as the Amended By-Laws (insofar as the duties of the President are concerned).</p> <p><b>Revised Manual of Corporate Governance, Item 3.2.12, pp. 21-22</b>  <b>Amended By-Laws, Article III, Sec. 4</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	
<p><b>Recommendation 5.5</b></p>			

<p>1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.</p>	<p>Compliant</p>	<p>The Chairman, Dr. Andrew L. Tan, is not an independent director. Mr. Cresencio P. Aquino has been designated as the lead independent director.</p> <p><b>SEC Form 17-C (Results of Organizational Meeting)</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=5663e175c574a5b39e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=5663e175c574a5b39e4dc6f6c9b65995</a></p> <p><b>2023 General Information Statement</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=9602a46fa4f56094abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=9602a46fa4f56094abca0fa0c5b4e4d0</a></p>	
--	------------------	--	--

**Recommendation 5.6**



<p>1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.</p>	<p>Compliant</p>	<p>Directors are required to ensure that their personal interest does not conflict with the interest of the Corporation. If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process.</p> <p>This is also embodied in the Conflict of Interest Policy, which forms part of The Company's Policies.</p> <p>In addition, the RPT Policy of the Company requires all directors to immediately disclose any relationship or association to a proposed supplier or contractor or its authorized representative to avoid conflict of interest. They are prohibited from using their authority or position to profit or gain some benefit or advantage for themselves and/or their related interest. Regardless of the amount of the transaction or contract, each director is held responsible to: fully and promptly notify the Company of any RPT and the personal interest he/she may have on such RPT (directly or indirectly through or on behalf of third parties, spouses or relatives) as soon as he/she becomes aware of the transaction; and to obtain approval from the Board of Directors prior to entering into the transaction.</p> <p>The Director involved shall abstain from discussion, approval and management of</p>	
---	------------------	--	--

		<p>such transaction or matter affecting the Company. In case he/she refuses to abstain, his/her attendance and vote shall not be considered for purposes of assessing the quorum and his/her votes shall not be counted for purposes of determining majority approval.</p> <p><b>Revised Manual on Corporate Governance, Item 3.2.7(A), pp. 11-12</b>  <b>The Company's Policies</b>  <b>RPT Policy, Item V,2, pp. 7-8, all available at:</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	
<b>Recommendation 5.7</b>			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	Non-Compliant		There is no restriction against NEDs conducting separate periodic meetings with external auditors and heads of the internal audit, compliance and risk functions without any executive present.
2. The meetings are chaired by the lead independent director.	Non-Compliant		
<b>Optional: Principle 5</b>			
1. None of the directors is a former CEO of the company in 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	The Board conducts an annual self-assessment of its performance, including the performance of the Chairman, individual members and committees.  <b>Revised Manual on Corporate Governance, Item 3.2.5, p. 10</b> <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a>	
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		The Board relies on its self-assessment and the feedback from the stockholders during annual meeting to assess its performance.

**Recommendation 6.2**

1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	The Board should have in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual directors, committees and such system should allow for a feedback mechanism from the shareholders	The Company believes close engagement with its stakeholders is key to sustaining its long-term growth. With this in mind, the Company undertakes various initiatives to understand and address issues and concerns, gather feedback on the effectiveness of its solutions, and build and
--	-----------	---	--

<p>2. The system allows for a feedback mechanism from the shareholders.</p>	<p>Compliant</p>	<p><b>Revised Manual on Corporate Governance, Item 3.2.5, p. 10</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	<p>maintain strong relationships for long-term value creation. Some of the feedback mechanisms already in place are the following:</p> <ol style="list-style-type: none"> <li>1. Open Forum during the Annual Stockholders' Meeting; and</li> <li>2. Establishment of an Investor Relations Office.</li> </ol>
---	------------------	--	--

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

**Recommendation 7.1**

1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	The Company has a Code of Business Conduct and Ethics, copies of which are properly disseminated to the Board, senior management and employees and posted on the Company Website.	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	<p><b>Code of Business Conduct and Ethics</b>  <a href="https://www.empire-east.com/download/downloadables/1">https://www.empire-east.com/download/downloadables/1</a></p>	
3. The Code is disclosed and made available to the public through the company website.	Compliant	<p><b>Revised Manual on Corporate Governance, Item 3.2.7(G), p.13</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	

**Supplement to Recommendation 7.1**

1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Compliant	<p>Any employee, officer, and director is prohibited from soliciting or accepting gifts, regardless of value, from clients, suppliers and other parties who may have interests in the transactions of the Company.</p> <p><b>Code of Business Conduct and Ethics</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	
--	-----------	---	--

**Recommendation 7.2**

<p>1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.</p>	<p>Compliant</p>	<p>The Board has the duty to ensure proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.</p>	
<p>2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.</p>	<p>Compliant</p>	<p><b>Revised Manual on Corporate Governance, Item 3.2.7(G), p. 13</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p> <p>The Board, Management, and employees of the Corporation are likewise required to comply with the Code of Business Conduct of Ethics.</p>	

**Disclosure and Transparency**

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

**Recommendations 8.1**

<p>1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other shareholders that gives a fair and complete picture of a company's financial condition, results and business operations.</p>	<p>Compliant</p>	<p>The Revised Manual on Corporate Governance emphasizes on the Company's and the Board's disclosure and transparency obligations.</p> <p><b>Revised Manual on Corporate Governance, Item 5, p. 30-31</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	<p>Pursuant to the principles of disclosure and transparency, all reports and disclosures are made available to the shareholders and stakeholders through comprehensive, accurate, reliable and timely disclosures with the SEC and PSE, as well as Company Website postings. The Company's financial condition, results and business operations are disclosed to the shareholders before, during and after the Annual Stockholders' Meetings through the submission of appropriate reports.</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>In accordance with the implementing Rules and Regulations of the Securities Regulation Code, the Company discloses its Audited Consolidated Financial Statements as part of the annual report within 105 days after the end of the fiscal year and its interim reports within 45 days after the end of each of the first three (3) quarters of each fiscal year.</p>	<p>The Company first disclosed its 2023 Audited Consolidated Financial Statements for year 2023 on 29 February 2024, and within sixty (60) days from the financial year end.</p> <p><b>2023 Audited Consolidated Financial Statements</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=bbf16c15e6a8e01aabca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=bbf16c15e6a8e01aabca0fa0c5b4e4d0</a></p> <p>The Company likewise filed its interim reports for the first, second and third quarters of 2023 on 28 April 2023, 26 July 2023 and 10 Nov 2023, respectively.</p> <p><b>1<sup>st</sup> Quarterly Report for 2023</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=13d9f7aae2859cc59e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=13d9f7aae2859cc59e4dc6f6c9b65995</a></p> <p><b>2<sup>nd</sup> Quarterly Report for 2023</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=3413e98343aacd3b9e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=3413e98343aacd3b9e4dc6f6c9b65995</a></p> <p><b>3<sup>rd</sup> Quarterly Report for 2023</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=26e0a3f25917d9ce9e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=26e0a3f25917d9ce9e4dc6f6c9b65995</a></p>
---	------------------	---	---



<p>2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p>	<p>Compliant</p>	<p>Relevant information pertaining to the Company's shareholders and affiliates are disclosed in the 2023 Annual Report (Part I, Item 1, p.2; Part III, Items 12 and 13, pp. 34-35; Schedules to the Audited Consolidated Financial Statements).</p> <p><b>2023 Annual Report</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abc a0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abc a0fa0c5b4e4d0</a></p>	
--	------------------	--	--

**Recommendation 8.2**

1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	The Revised Manual on Corporate Governance provides that the Company shall have a policy requiring all directors and officers to disclose/report any	
--	-----------	--	--

<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.</p>	<p>Compliant</p>	<p>dealings in its shares within three (3) business days.</p> <p>All Forms 23-A (Initial Statement of Beneficial Ownership of Securities) and Forms 23-B (Statement of Changes in Beneficial Ownership of Securities) disclosures/reports are properly filed with the SEC and the PSE. For year 2023, the directors and officers of the Company have not dealt with the Company's shares.</p> <p><b>Revised Manual on Corporate Governance, Item 5, p. 30</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p> <p><b>PSE Disclosures, SEC Form 23-B (Resignation of Mr. Ricky Libago)</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=f24336e66a50464e9e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=f24336e66a50464e9e4dc6f6c9b65995</a></p> <p><b>SEC Form 23-A (Appointment of Mr. Arminius Madridejos as FVP-Property Development)</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=36939cc7297c04a79e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=36939cc7297c04a79e4dc6f6c9b65995</a></p> <p><b>SEC Form 23-A (Appointment of Mr. Lino P. Victorioso, Jr. as CFO)</b></p>	
--	------------------	--	--

		<a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=a2f89cda09274c639e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=a2f89cda09274c639e4dc6f6c9b65995</a>	
<b>Supplement to Recommendation 8.2</b>			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	Compliant	<p>The Corporation discloses the trading of its shares by its directors, officers and controlling shareholders by filing the appropriate reports to the Commission and the PSE, and posting the same in its website. For year 2023, the directors and officers and controlling shareholders of the Company have not dealt with the Company's shares.</p> <p><b>PSE Disclosures</b>  <a href="https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=190">https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=190</a></p> <p><b>Company Website Disclosures</b>  <a href="https://www.empire-east.com/business/company-disclosure">https://www.empire-east.com/business/company-disclosure</a></p>	
<b>Recommendation 8.3</b>			
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	The Board fully discloses all relevant and material information on individual board members and key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	

<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><b>Revised Manual on Corporate Governance, Item 5, p. 30</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p> <p>In addition, information pertaining to the experience and qualifications of individual board members are disclosed in the Corporation's 2023 Annual Report and 2023 Definitive Information Statement.</p> <p><b>2023 Annual Report, Part III Item 10, pp. 27-31</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abc00fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abc00fa0c5b4e4d0</a></p> <p><b>2023 Definitive Information Statement, pp 24-28</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=81659ed1097083099e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=81659ed1097083099e4dc6f6c9b65995</a></p>	
<b>Recommendation 8.4</b>			
<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><b>Revised Manual on Corporate Governance, Item 5, p. 30</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></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>Furthermore, information pertaining to the remuneration of the Board members and</p>	

3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	<p>executive officers are disclosed in the 2023 Annual Report.</p> <p><b>2023 Annual Report, Item 11, pp. 32-33</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abc00fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abc00fa0c5b4e4d0</a></p>	
<b>Recommendation 8.5</b>			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliance	<p>Policies governing RPTs are provided in Items 3.2.5 (p. 9) and 3.2.11.4 (pp. 19-21) of the Revised Manual of Corporate Governance, and is further stated in the RPT Policy.</p> <p><b>Revised Manual of Corporate Governance and RPT Policy</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	<p>RPTs involving the Corporation are disclosed in its 2023 Audited Consolidated Financial Statements.</p> <p><b>Audited Consolidated Financial Statements (Note 25) attached to the 2023 Annual Report</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abc00fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abc00fa0c5b4e4d0</a></p>	
<b>Supplement to Recommendation 8.5</b>			

<p>1. Company requires directors to disclose their interests in transactions or any other conflict of interests.</p>	<p>Compliant</p>	<p>If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process. A director who has a continuing material conflict of interest should seriously consider resigning from his position. A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the Company, or stands to acquire or gain financial advantage at the expense of the Company.</p> <p><b>Revised Manual of Corporate Governance, Item 3.2.7(A), pp. 11-12</b>  <b>RPT Policy, Item 2, p. 7</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	
<p><b>Optional : Recommendation 8.5</b></p>			
<p>1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.</p>		<p>The Company's RPTs are conducted in such a way to ensure that they are fair and at arm's length. RPTs involving the Corporation are disclosed in its 2023 Audited Consolidated Financial Statements.</p> <p><b>Audited Consolidated Financial Statements (Note 25) attached to the 2023 Annual Report</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abc00fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abc00fa0c5b4e4d0</a></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	<b>Revised Manual on Corporate Governance, Item 5, pp. 30-31</b> <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a>  In compliance with requirements under the laws and regulations applicable to publicly-listed companies, material information pertaining to the Company are disclosed to the SEC and PSE, and posted on the Company Website.  <b>PSE Disclosures</b> <a href="https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=190">https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=190</a>  <b>Company Website Disclosures</b> <a href="https://www.empire-east.com/business/company-disclosure">https://www.empire-east.com/business/company-disclosure</a>	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant	For certain transactions, the Company has hired third-party real estate valuers to conduct Purchase Price Studies. In very rare cases, valuations are conducted internally. Nonetheless, the same is always based on market standards.	

**Supplement to Recommendation 8.6**



<p>1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.</p>	<p>Compliant</p>	<p>Information pertaining to voting trust or similar control agreements are required to be disclosed in the Annual Report and Definitive Information Statement. The Company is not aware of any shareholder agreements, voting trust agreements or other agreements that may impact on the control, ownership, and strategic direction of the Company.</p> <p><b>2023 Annual Report, Item 12, p. 35</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abc00fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abc00fa0c5b4e4d0</a></p> <p><b>2023 Definitive Information Statement, pp. 9, 32</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=81659ed1097083099e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=81659ed1097083099e4dc6f6c9b65995</a></p>	
---	------------------	--	--

<b>Recommendation 8.7</b>			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	The Company's corporate governance policies, programs and procedures are contained in its Revised Manual of Corporate Governance.	
2. Company's MCG is submitted to the SEC and PSE.	Compliant	The Revised Manual of Corporate Governance was submitted to the SEC and PSE, and posted on the Company Website.	
3. Company's MCG is posted on its company website.	Compliant	<b>Revised Manual of Corporate Governance</b> <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a>	
<b>Supplement to Recommendation 8.7</b>			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant		To date, there are no changes to the Revised Manual of Corporate Governance. Nonetheless, the Corporation shall submit to the SEC and PSE the revised CG Manual should there be changes to the current CG Manual.
<b>Optional: Principle 8</b>			
1. Does the company's Annual Report disclose the following information:		The 2023 Annual Report discloses the Company's corporate objectives (p. 3 of Sustainability Report attached to the Annual Report), financial performance indicators and non-financial performance indicators (pp. 16-25, as well as the Sustainability Report attached to the Annual Report), dividend policy (p. 15), biographical details of all directors (pp. 27-30), and total remuneration (p. 32).	
a. Corporate Objectives	Compliant		
b. Financial performance indicators	Compliant		

c. Non-financial performance indicators	Compliant	<p><b>2023 Annual Report</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abc0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abc0fa0c5b4e4d0</a></p> <p>While the attendance details of each directors were not disclosed in SEC Form 17-A, information pertaining thereto was separately submitted to the SEC and the PSE.</p> <p><b>PSE Disclosure Form 17-18 Other SEC Forms/ Reports/Requirements</b>  (Attendance of Directors for 2023)  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=3819c343ee7020adabc0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=3819c343ee7020adabc0fa0c5b4e4d0</a></p>	
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			
f. Attendance details of each director in all directors meetings held during the year	Non-Compliant		
g. Total remuneration of each member of the board of directors	Compliant		
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.	Non-Compliant		<p>Details pertaining to the Corporation's compliance with the Code of Corporate Governance are set out separately in the I-ACGR.</p> <p><b>2023 Annual Report, p. 33</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=ec3048cc01de588d9e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=ec3048cc01de588d9e4dc6f6c9b65995</a></p>

3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	Non-Compliant		While such specific statements are not present in the Annual Report, the duty to review the Corporation's internal control system in order to maintain its adequacy and effectiveness is nonetheless enshrined in the Revised Manual of Corporate Governance.
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.	Non-Compliant		<b>Revised Manual of Corporate Governance, Item 3.2.6(H), pp. 10-11</b> <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a>
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).	Compliant	<b>2023 Annual Report, Part – Business Risks, p. 12</b> <a href="https://edge.pse.com.ph/openDiscView.er.do?edge_no=2c8258bd44be4714abc00fa0c5b4e4d0">https://edge.pse.com.ph/openDiscView.er.do?edge_no=2c8258bd44be4714abc00fa0c5b4e4d0</a>	
<b>Principle 9:</b> The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.			
<b>Recommendation 9.1</b>			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	<b>Revised Manual of Corporate Governance, Items 3.2.11.3, p. 18</b>	

<p>2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.</p>	<p>Compliant</p>	<p><a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p> <p>The engagement of Punongbayan &amp; Araullo as independent auditors of the Corporation for the period ending December 31, 2023 was recommended by the Board, in consultation with the Audit Committee, and approved by the shareholders.</p> <p><b>2023 Definitive Information Statement, Independent Public Accountants, pp. 13-14</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=81659ed1097083099e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=81659ed1097083099e4dc6f6c9b65995</a></p> <p><b>SEC Form 17-C, Results of Annual Stockholders' Meeting</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=9017b07bdafc1ac49e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=9017b07bdafc1ac49e4dc6f6c9b65995</a></p>	
<p>3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.</p>	<p>Compliant</p>	<p><b>Revised Manual of Corporate Governance, Item 3.2.11.3, p. 18</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	<p>This Corporation did not remove or change its external auditor in 2023.</p>

**Supplement to Recommendation 9.1**

<p>1. Company has a policy of rotating the lead audit partner every five years.</p>	<p>Compliant</p>	<p>Both the Revised Manual of Corporate Governance and Audit Committee Charter provides that the external auditor should be rotated or changed every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the Corporation, should be changed with the same frequency.</p> <p><b>Revised Manual of Corporate Governance, Item 3.5(V), p. 25</b> <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p> <p><b>Audit Committee Charter, Item IV.7, p. 4</b> <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	<p>Starting the year ending 31 December 2023, Mr. Edcel U. Costales, one of the Audit and Assurance Partners of Punongbayan and Araullo (P&amp;A), was designated as the engagement partner for the audit of the Company's financial statements. The previous lead audit partner who handled the audit of the Company's financial statement during the previous years was Mr. Renan A. Piamonte.</p>
---	------------------	--	--

**Recommendation 9.2**

<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <ul style="list-style-type: none"> <li>i. assessing the integrity and independence of external auditors;</li> <li>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</li> <li>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</li> </ul>	Compliant	<p>The Audit Committee Charter includes the Audit Committee's responsibility on:</p> <ul style="list-style-type: none"> <li>(i) assessing the integrity and independence of external auditors;</li> <li>(ii) exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</li> <li>(iii) exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</li> </ul>	
<p>2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	Compliant	<p>The Audit Committee Charter contains the Committee's responsibility on reviewing and evaluating the professional qualifications, performance and independence of the external auditor and the lead partner.</p> <p><b>Audit Committee Charter, Part IV, pp. 2-4</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	
<b>Supplement to Recommendations 9.2</b>			
<p>1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.</p>	Compliant	<p>The Audit Committee's duties and responsibilities, including overall oversight over external audit and the qualifications performance and independence of the</p>	

<p>2. Audit Committee ensures that the external auditor has adequate quality control procedures.</p>	<p>Compliant</p>	<p>external auditors, are provided in the Audit Committee Charter.</p> <p><b>Audit Committee Charter, Part IV, pp. 2-4</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	
--	------------------	---	--



Recommendation 9.3			
<p>1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.</p>	Compliant	<p><b>Revised Manual of Corporate Governance, Item 3.2.11.3(K), p. 19</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	<p>The SEC Form 17-A discloses the external audit fees paid to, and services rendered by, the external auditor for the years ending 31 December 2023 and 31 December 2022. The fees referred to compensation paid to the external auditor for the audit of the Corporation's annual financial statements and services rendered by the external auditor in connection with statutory and regulatory filings or engagements. Apart from these, there were no other services rendered or fees billed by the external auditor.</p> <p><b>2023 Annual Report, Item 7, p. 26</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abca0fa0c5b4e4d0</a></p>
<p>2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.</p>	Compliant	<p><b>Revised Manual of Corporate Governance, Item 3.2.11.3(K), p. 19</b>  <b>Audit Committee Charter, Item IV(e)(4)</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	
Supplement to Recommendation 9.3			

<p>1. Fees paid for non-audit services do not outweigh the fees paid for audit services.</p>	<p>Compliant</p>		<p>For year 2023, the fees billed by the external auditor refers only to services rendered in the audit of the Corporation's annual financial statements and statutory and regulatory filings or engagements. Apart from these, there were no other services rendered or fees billed by the external auditor.</p> <p><b>2023 Annual Report, Item 7, p. 26</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abca0fa0c5b4e4d0</a></p>
<p><b>Additional Recommendation to Principle 9</b></p>			

<p>1. Company's external auditor is duly accredited by the SEC under Group A category.</p>	<p>Compliant</p>	<p>The details of the Corporation's external auditor for year 2023, are as follows:</p> <ol style="list-style-type: none"> <li>1. External auditor: <b>PUNONGBAYAN &amp; ARAULLO</b></li> <li>2. Name of the audit engagement partner: <b>EDCEL U. COSTALES</b></li> <li>3. Accreditation number:  <b>Partner 134633-SEC; Firm 002</b></li> <li>4. Date Accredited <b>Partner – March 10, 2020; Firm – November 24, 2020</b></li> <li>5. Expiry date of accreditation <b>Partner - December 31, 2026; Firm – December 31, 2024</b></li> <li>6. Name, address, contact number of the audit firm <b>20/F Tower 1, The Enterprise Center, 6766 Ayala Ave, 1200 Makati City, Philippines</b></li> </ol> <p>Punongbayan &amp; Araullo is accredited under Group A category.</p> <p><b>Audited Consolidated Financial Statements, p. 6, attached to the 2022 Annual Report</b>  <a href="https://edge.pse.com.ph/openDiscView.er.do?edge_no=2c8258bd44be4714abc a0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscView.er.do?edge_no=2c8258bd44be4714abc a0fa0c5b4e4d0</a></p>	
--	------------------	---	--

2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	Compliant	Punongbayan & Araullo agreed to be subjected to the SEC Oversight Assurance Review.	
---	-----------	---	--

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

**Recommendation 10.1**

1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Compliant	The Company Sustainability Report for year 2023 discussing the management of economic, environmental, social and governance (EESG) issues of its business, form part of the 2023 Annual Report. In identifying the material topics for the ESG Report, the Company relied on various globally-recognized standards and frameworks, such as the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), and United Nations Environment Programme (UNEP).  <b>Sustainability Report, pp. 2-3, attached to the 2023 Annual Report</b> <a href="https://edge.pse.com.ph/openDiscView_er.do?edge_no=2c8258bd44be4714abc_a0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscView_er.do?edge_no=2c8258bd44be4714abc_a0fa0c5b4e4d0</a>	
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>Non-Compliant</p>		<p>The communication channels used by the Company to disseminate material and relevant information to its shareholders and investors are as follows:</p> <ol style="list-style-type: none"> <li>1. PSE disclosures - <a href="https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=190">https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=190</a></li> <li>2. Company Website - <a href="https://www.empire-east.com/">https://www.empire-east.com/</a></li> <li>3. Investor Relations Office</li> <li>4. Annual Stockholders' Meetings</li> </ol>
--	----------------------	--	---

Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:		The Corporation's charter documents, policies, reportorial requirements and disclosures submitted to the SEC and PSE are provided in the Company Website.	
a. Financial statements/reports (latest quarterly)	Compliant	<b>Company Website</b> <a href="https://www.empire-east.com/">https://www.empire-east.com/</a>  <b>Company Disclosures</b> <a href="https://www.empire-east.com/business/company-disclosure">https://www.empire-east.com/business/company-disclosure</a>	<a href="https://www.empire-east.com/download/downloadables/418">https://www.empire-east.com/download/downloadables/418</a>  <a href="https://www.empire-east.com/download/downloadables/412">https://www.empire-east.com/download/downloadables/412</a>  <a href="https://www.empire-east.com/download/downloadables/409">https://www.empire-east.com/download/downloadables/409</a>  <a href="https://www.empire-east.com/download/downloadables/395">https://www.empire-east.com/download/downloadables/395</a>
b. Materials provided in briefings to analysts and media	Compliant		
a. Downloadable annual report	Compliant		<a href="https://www.empire-east.com/download/downloadables/422">https://www.empire-east.com/download/downloadables/422</a>
b. Notice of ASM and/or SSM	Compliant		<a href="https://www.empire-east.com/download/downloadables/424">https://www.empire-east.com/download/downloadables/424</a>
c. Minutes of ASM and/or SSM	Compliant		<a href="https://www.empire-east.com/download/downloadables/423">https://www.empire-east.com/download/downloadables/423</a>
d. Company's Articles of Incorporation and By-Laws	Compliant		<a href="https://www.empire-east.com/download/downloadables/201">https://www.empire-east.com/download/downloadables/201</a>  <a href="https://www.empire-east.com/download/downloadables/200">https://www.empire-east.com/download/downloadables/200</a>

**Additional Recommendation to Principle 11**

1. Company complies with SEC-prescribed website template.	Compliant	The Company complies with SEC-prescribed website template.  <b>Company Website</b> <a href="https://www.empire-east.com/">https://www.empire-east.com/</a>	
---	-----------	---	--

### Internal Control System and Risk Management Framework

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

#### Recommendation 12.1

1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	The Company has an adequate and effective internal control system and an enterprise risk management framework in the conduct of its business, taking into account its size, risk profile and complexity of operations.	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	<p><b>Revised Manual on Corporate Governance, Item 3.2.8, p. 13</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	

#### Supplement to Recommendations 12.1

1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	Compliant	<p>The Board, with the assistance of the Audit Committee, has oversight responsibility in monitoring compliance with applicable laws, rules and regulations</p> <p><b>Revised Manual on Corporate Governance, Item 3.2.11.3(A), p.18; Item 3.5(A)(III), p. 25</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	
--	-----------	--	--

#### Optional: Recommendation 12.1



<p>1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.</p>			
<b>Recommendation 12.2</b>			
<p>1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.</p>	<p>Compliant</p>	<p>Internal audit is conducted by the Corporation in-house. The Internal Audit Department is a department or unit of the Corporation that provides independent and objective assurance services in order to add value and to improve the operations of the Corporation.</p> <p><b>Revised Manual on Corporate Governance, Item 1(J) and (K)(p. 3)</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	
<b>Recommendation 12.3</b>			
<p>1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.</p>	<p>Non-compliant</p>		<p>While the Company has no Chief Audit Executive (CAE), the internal audit functions are exercised by an in-house internal auditor, which provides independent and objective assurance services. An in-house internal auditor has the following responsibilities, among other things:</p> <p>1. Evaluating the reliability and integrity of</p>
<p>2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third-party service provider.</p>	<p>Non-compliant</p>		

<p>3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.</p>	<p>Non-compliant</p>		<p>financial information.</p> <ol style="list-style-type: none"> <li>2. Evaluating the effectiveness and efficiency of operations and compliance with established policies and procedures.</li> <li>3. Evaluating the means of safeguarding assets and verifying the existence of such assets.</li> <li>4. Evaluating specific operations at the request of the Board or management, as appropriate.</li> <li>5. Reporting the internal audit performance.</li> </ol> <p>Notwithstanding the lack of a CAE, the Audit Committee has oversight capability over the Corporation's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.</p> <p><b>Revised Manual on Corporate Governance, Item 3.2.11.3, p. 17</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>
---	----------------------	--	---

**Recommendation 12.4**

<p>1. Company has a separate risk management function to identify, assess and monitor key risk exposures.</p>	<p>Compliant</p>	<p>A Board Risk Oversight Committee is responsible for the oversight of the Corporation's enterprise risk management system to ensure its functionality and effectiveness.</p> <p><b>Revised Manual on Corporate Governance, Item 3.2.11.2, p. 16</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	
<b>Supplement to Recommendation 12.4</b>			
<p>1. Company seeks external technical support in risk management when such competence is not available internally.</p>	<p>Compliant</p>	<p>The Board may seek external professional or technical opinion or advice as it deems necessary in connection with any matter which is pending before the Board, and which opinion or advice the members may consider in their individual assessment and evaluation of the issues.</p>	
<b>Recommendation 12.5</b>			
<p>1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).</p>	<p>Non-compliant</p>		<p>While the Corporation does not have a Chief Risk Officer, risk management is handled collectively by different groups, including legal, internal audit, finance, under the supervision of the Board Risk Oversight Committee to oversee the Corporation's Enterprise Risk Management system to ensure its functionality and effectiveness.</p>
<p>2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.</p>	<p>Non-Compliant</p>		<p><b>Revised Manual on Corporate Governance, Item 3.2.11.2, p. 16-17</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>

**Additional Recommendation to Principle 12**

<p>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.</p>	<p>Non-Compliant</p>		<p>The directors of the Corporation have reviewed the effectiveness of its and its subsidiaries, affiliates and business segments internal control system and consider them effective and adequate. For each subsidiary, affiliate and business segment, internal controls are reviewed annually and are handled at that level. Any major findings that cannot be resolved at that level are elevated to the Company through the Audit Committee of the Board. No internal control matter has been elevated to the Company by any subsidiary, affiliate or business segment for the past year.</p>
---	----------------------	--	--

**Cultivating a Synergic Relationship with Shareholders**

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

**Recommendation 13.1**

<p>1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.</p>	<p>Compliant</p>	<p>The basic shareholder rights are disclosed in the Revised Manual on Corporate Governance.</p> <p><b>Revised Manual on Corporate Governance, Item 4, pp. 27-30</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	
<p>2. Board ensures that basic shareholder rights are disclosed on the company's website.</p>	<p>Compliant</p>	<p>The Revised Manual on Corporate Governance, where the basic shareholder rights are disclosed, is posted on the Company Website.</p> <p><b>Revised Manual on Corporate Governance</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	

**Supplement to Recommendation 13.1**

<p>1. Company's common share has one vote for one share.</p>	<p>Compliant</p>	<p>Each stockholder shall be entitled to one (1) vote with respect to all matters to be taken up during the annual meeting of stockholders. With respect to the election of the members of the board of directors of the Company, each stockholder shall have cumulative voting rights.</p> <p><b>2023 Definitive Information Statement, p. 16</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=81659ed1097083099e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=81659ed1097083099e4dc6f6c9b65995</a></p>	
<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>All shareholders of the same class are treated equally or without discrimination with respect to voting rights, subscription rights and transfer rights</p> <p><b>Revised Manual on Corporate Governance, Item 4(B), p. 29</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	

<p>3. Board has an effective, secure, and efficient voting system.</p>	<p>Compliant</p>	<p>Pursuant to Sections 23 and 57 of the Revised Corporation Code and SEC Memorandum Circular No. 06, Series of 2020 allowing voting through remote communication or in absentia, stockholders were allowed to participate in the 2023 ASM by remote communication and cast their votes in absentia.</p> <p><b>2023 Definitive Information Statement, p. 7 and Annex A (Procedures and Requirements for Voting and Participation in the 2023 ASM)</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=81659ed1097083099e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=81659ed1097083099e4dc6f6c9b65995</a></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>While there is a risk that the controlling shareholders’ voting power may be restrictive or authorize preferences, the Board is committed to respect the rights of the shareholders as provided for in the Revised Corporation Code. These include the right to vote on all matters that require their consent or approval, such that a director shall not be removed without cause if it will deny minority shareholders representation in the Board.</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>Sec. 49 of the Revised Corporation Code specifically states that a stockholder may propose the holding of a special meeting and items to be included in the agenda.</p> <p>The right to propose the holding of meetings and items for inclusion in the agenda is given to all shareholders, including minority shareholders. However, to prevent the abuse of this right, the Company may require that the proposal be made by shareholders holding a specified percentage of shares or voting rights.</p> <p>To ensure that minority shareholders are not effectively prevented from exercising this right, the degree of ownership concentration is considered in determining the threshold.</p> <p><b>Revised Manual on Corporate Governance, Item 4(A)(VII), pp. 28-29</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	
---	------------------	--	--



<p>6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.</p>	<p>Compliant</p>	<p>The Revised Manual on Corporate Governance emphasizes on the Board's duty and obligation to promote and protect shareholders' rights, including that of minority shareholders. Among the specific rights that the Board articulates and enforces insofar as minority shareholders are concerned are as follows:</p> <p>a. The minority shareholders may propose the holding of a meeting, or propose items in the agenda of the meeting, provided the items are for legitimate business purposes.</p> <p>b. The minority shareholders shall in accordance with the Revised Corporation Code have access to information relating to matters for which the Management is accountable.</p> <p>c. The minority shareholders may propose the holding of a meeting, or propose items in the agenda of the meeting, provided the items are for legitimate business purposes. The minority shareholders shall in accordance with the Corporation Code have access to information relating to matters for which the Management is accountable.</p> <p><b>Revised Manual on Corporate Governance, Item 4, pp. 27-30</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	
---	------------------	---	--

<p>7. Company has a transparent and specific dividend policy.</p>	<p>Compliant</p>	<p>The payment of dividends, either in the form of cash or stock, will depend upon the Company's or any of its subsidiaries' earnings, cash flow, and financial condition, among other factors. The Company or any of its subsidiaries' may declare dividends only out of its unrestricted retained earnings. These represent the net accumulated earnings, with its capital unimpaired, that is not appropriated for any other purpose.</p> <p>The Company or any of its subsidiaries may pay dividends in cash, by the distribution of property, or by the issue of shares of stock. Dividends paid in cash are subject to approval by the Board of Directors. Dividends paid in the form of additional shares are subject to approval by both the Board of Directors and at least two-thirds (2/3) of the outstanding capital stock of the shareholders at a shareholders' meeting called for such purpose.</p> <p><b>2023 Definitive Information Statement, p. 42</b>  <a href="https://edge.pse.com.ph/openDiscView.er.do?edge_no=81659ed1097083099e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscView.er.do?edge_no=81659ed1097083099e4dc6f6c9b65995</a></p>	
---	------------------	--	--

<b>Optional: Recommendation 13.1</b>			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.			
<b>Recommendation 13.2</b>			
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.	Compliant	<p>The Notice of Annual Stockholders' Meeting for 2023 was disclosed on PSE Edge on 14 April 2023, or more than 28 days before the meeting held on June 06, 2023, while the 2023 Information Statement containing the Notice and Agenda of the 2023 Annual Stockholders' Meeting was posted on the Company website and disclosed on PSE Edge on May 17, 2023.</p> <p><b>PSE EDGE Disclosures</b>  <a href="https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=190">https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=190</a></p>	
<b>Supplemental to Recommendation 13.2</b>			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:		<p><b>2023 Definitive Information Statement</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=81659ed1097083099e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=81659ed1097083099e4dc6f6c9b65995</a></p>	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant	<p><b>2023 Definitive Information Statement, pp. 24-26</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=81659ed1097083099e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=81659ed1097083099e4dc6f6c9b65995</a></p>	

b. Auditors seeking appointment/re-appointment	Compliant	<b>2023 Definitive Information Statement, p 13</b> <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=81659ed1097083099e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=81659ed1097083099e4dc6f6c9b65995</a>	
c. Proxy documents	Compliant	<b>2023 Definitive Information Statement, p. 5</b> <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=81659ed1097083099e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=81659ed1097083099e4dc6f6c9b65995</a>	
<b>Optional: Recommendation 13.2</b>			
1. Company provides rationale for the agenda items for the annual stockholders meeting	Compliant	The Company provided the rationale for the agenda items for the 2023 Annual Stockholders Meeting.  <b>2023 Definitive Information Statement, pp. 3-4</b> <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=81659ed1097083099e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=81659ed1097083099e4dc6f6c9b65995</a>	

<b>Recommendation 13.3</b>			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	The Company disclosed the Results of Annual Stockholders' Meeting on PSE Edge on the same day as, and immediately after the conduct of, the 2023 ASM.  <b>PSE Edge, SEC Form 17-C (Results of Annual Stockholders' Meeting)</b> <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=0004968cea078eea3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=0004968cea078eea3470cea4b051ca8f</a>	The Company did not hold a Special Shareholders' Meeting in 2023.
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	<b>Minutes of the Annual Stockholders' Meeting for 2023</b> <a href="https://www.empire-east.com/business/company-disclosure">https://www.empire-east.com/business/company-disclosure</a>	The Company did not hold a Special Shareholders' Meeting in 2023.
<b>Supplement to Recommendation 13.3</b>			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	The external auditor, and other relevant individuals, such as the Chairman, President and Corporate Secretary, attended the ASM.  <b>Minutes of the Annual Stockholders' Meeting for 2023</b> <a href="https://www.empire-east.com/business/company-disclosure">https://www.empire-east.com/business/company-disclosure</a>	The Company did not hold a Special Shareholders' Meeting in 2023.
<b>Recommendation 13.4</b>			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	<b>Revised Manual of Corporate Governance, Item 3.2.6(L), p. 11; Item 4, p. 29</b> <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a>	

2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant		
<b>Recommendation 13.5</b>			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	<p>The Board has established an IRO to ensure constant engagement with its shareholders.</p> <p>1. Name: <b>Andy Willing Dela Cruz</b>  2. Contact no.: <b>(02) 7905 2847</b>  3. E-mail address:  <a href="mailto:adelacruz@megaworldcorp.com">adelacruz@megaworldcorp.com</a></p>	
2. IRO is present at every shareholder's meeting.	Compliant	The IRO was present during the ASM.	
<b>Supplemental Recommendations to Principle 13</b>			

<p>1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group</p>	<p>Compliant</p>	<p>The presence of Independent Directors and the combination of executive and non-executive Directors are among the measures that the Company adapted in order that no director, small group of directors, and controlling shareholder group can dominate the decision-making process.</p> <p>The Revised Manual of Corporate Governance also recognizes that shareholders shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 80 of the Revised Corporation Code of the Philippines, under any of the following circumstances:</p> <ul style="list-style-type: none"> <li>a. In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;</li> <li>b. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code; and;</li> <li>c. In case of merger or consolidation.</li> </ul>	
---	------------------	--	--

		<b>Revised Manual of Corporate Governance, p.28</b> <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a>	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Non-compliant		As of December 31, 2023 the Company's public float is 16.52 %.  This notwithstanding the Company complies with the Minimum Public Ownership under applicable rules of the PSE.  <b>PSE Disclosure Form POR-1 – Public Ownership Report</b> <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=8b7bb54677492907abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=8b7bb54677492907abca0fa0c5b4e4d0</a>
<b>Optional: Principle 13</b>			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting			
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.			



**Duties to Stakeholders**

**Principle 14:** The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.

**Recommendation 14.1**

<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><b>Revised Manual on Corporate Governance, Item 4, p. 30, Item 7, p. 31</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	
--	------------------	---	--

**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>The Board respects the rights of stakeholders established by law, by contractual relations and through voluntary commitments. It continues to establish clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders which include, but not limited to customers, employees, suppliers, shareholders, investors, creditors, the community the Company operates in, society, the government, regulators, competitors, external auditors, and maintain open and easy communication through the IRO and the Office of the Corporate Secretary.</p> <p><b>Revised Manual on Corporate Governance, Item 4, p.30</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	
--	------------------	---	--

**Recommendation 14.3**

<p>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.</p>	<p>Compliant</p>	<p>Stakeholders can voice their concerns and/or complaints for possible violation of their rights through the following mechanisms:</p> <p>1. Investor Relations Office Through: Mr. Andy Willing Dela Cruz adelacruz@megaworldcorp.com 02 7905 2847</p> <p>2. Whistle-Blowing Policy (The Company's Policy) <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p> <p><b>Revised Manual on Corporate Governance, Item 4(C), p. 30</b> <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	
<p><b>Supplement to Recommendation 14.3</b></p>			
<p>1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.</p>	<p>Compliant</p>	<p><b>Revised Manual on Corporate Governance, Item 3.2.6(L) p. 11; and Item 4(B), p. 29</b> <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	
<p><b>Additional Recommendations to Principle 14</b></p>			

<p>1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.</p>	<p>Compliant</p>	<p>The Company has not yet sought any exemption for the application of any law, rule or regulation especially when it refers to a corporate governance issue.</p>	
<p>2. Company respects intellectual property rights.</p>	<p>Compliant</p>	<p>The Company respects intellectual property rights. It owns the registered trademark over its name, which was registered on 9 October 2006 and valid until 9 October 2026. The Company has various registered trademarks and pending trademark applications over the names of its development projects.</p> <p><b>IPO Global Brand Database</b>  <a href="https://branddb.wipo.int/en/IPO-PH/quicksearch">https://branddb.wipo.int/en/IPO-PH/quicksearch</a></p> <p>While important, the Company does not believe that its operations or its subsidiaries' operations depend on its trademarks or any patent, license franchise, concession or royalty agreement.</p> <p><b>2023 Annual Report, p. 10</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=ec3048cc01de588d9e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=ec3048cc01de588d9e4dc6f6c9b65995</a></p>	
<p><b>Optional: Principle 14</b></p>			

1. Company discloses its policies and practices that address customers' welfare			
2. Company discloses its policies and practices that address supplier/contractor selection procedures			

**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**

<p>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.</p>	<p>Compliant</p>	<p>The Company is committed to provide opportunities and decent work to its growing workforce. The Company provides a range of benefits to regular employees, training opportunities, and a safe and inclusive workplace that does not discriminate on the basis of gender, culture, or ethnicity.</p> <p><b>Revised Manual on Corporate Governance, Item 6, p.31</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p> <p><b>2023 Sustainability Report, p. 12-16, attached to the 2023 Annual Report</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abc a0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abc a0fa0c5b4e4d0</a></p>	
---	------------------	--	--

**Supplement to Recommendation 15.1**

<p>1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.</p>	<p>Compliant</p>	<p>The Company continuously develops programs for the employees to actively participate in the realization of the company's goals and its governance.</p>	
<p>2. Company has policies and practices on health, safety and welfare of its employees.</p>	<p>Compliant</p>	<p>The Company's Human Resources (HR) department is in charge of offering knowledge transfer related to employees' benefits, including health programs,</p>	

<p>3. Company has policies and practices on training and development of its employees.</p>	<p>Compliant</p>	<p>compensation, and employee rights. The Company allows each department to assess its personnel training needs in relation to its core competencies. The department then establishes training objectives and conducts any necessary upskilling.</p> <p><b>Revised Manual on Corporate Governance, Item 6, p.31</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p> <p><b>2023 Sustainability Report, p. 13, attached to the 2023 Annual Report</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abc a0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abc a0fa0c5b4e4d0</a></p>	
<b>Recommendation 15.2</b>			
<p>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.</p>	<p>Compliant</p>	<p>The Company has established a code of conduct in place, which has been effectively communicated to all employees. Government dealings are closely managed and employees are</p>	

<p>2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.</p>	<p>Compliant</p>	<p>instructed to process requirements with care and due time and diligence to avoid any involvement in corrupt behavior. Each employee is expected to observe the highest standards of business ethics. As part of their onboarding process, all employees have been oriented with the Group's codes of conduct, provided references through its employee online portal, and given periodic reminders. An employee cannot engage in any activity which would create conflict or interfere with the performance of his responsibilities.</p> <p><b>Revised Manual on Corporate Governance, Item 6, p. 31</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p> <p><b>Code of Business Conduct and Ethics</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p> <p><b>2023 Sustainability Report, pp. 4-5, attached to the 2023 Annual Report</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abc00fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abc00fa0c5b4e4d0</a></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>Disciplinary actions are initiated in case of violation of the Company's Code of Business Conduct and Ethics.</p> <p><b>Revised Manual on Corporate Governance, Item 6, p. 31</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p> <p><b>Code of Business Conduct and Ethics</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></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	The Company values all information received from whistleblowers and/or anonymous sources. It encourages all stakeholders to communicate, confidentially and without the risk of reprisal, all legitimate concerns about illegal, unethical, or questionable practices and transactions entered by any of its employees and officers.	
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>3. Board supervises and ensures the enforcement of the whistleblowing framework.</p>	<p>Compliant</p>	<p>All information received from whistle blowers and/or anonymous sources are referred to the Grievance Committee of the Company which consists of the HR, Audit, and the Legal Department Head.</p> <p><b>Revised Manual on Corporate Governance, Item 6, p. 31</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p> <p><b>2023 Sustainability Report, p. 5, attached to the 2023 Annual Report</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=ec3048cc01de588d9e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=ec3048cc01de588d9e4dc6f6c9b65995</a></p> <p><b>Code of Business Conduct and Ethics</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p> <p><b>Whistleblower, The Company's Policies</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p>	
---	------------------	---	--

<b>Principle 16:</b> 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.			

<b>Recommendation 16.1</b>
----------------------------

<p>1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.</p>	<p>Compliant</p>	<p>The Company is a public company that serves a community of various stakeholders. As an active member of society, the Company has a responsibility to help promote what it truly values: community growth, resilient cities, and safe and inclusive areas that enable people to thrive. By building sustainable homes in specific locations, the Company is one with the local government units in its goal to implement and promote a comprehensive land use program that adheres to its residents' rights to access valuable touchpoints that contribute to their city living needs. The Company's core purpose is to help provide sustainable homes to support the growth of Filipino families. It also values the role of the family in nation-building and the contribution of the youth to this cause as well.</p> <p><b>Revised Manual on Corporate Governance, Item 7, p.31</b>  <a href="https://www.empire-east.com/business/corporate-governance">https://www.empire-east.com/business/corporate-governance</a></p> <p><b>2023 Sustainability Report, attached to the 2023 Annual Report</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abc0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abc0fa0c5b4e4d0</a></p>	
<p><b>Optional: Principle 16</b></p>			

<p>1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development</p>	<p>Compliant</p>	<p>The Company's project operation adheres to comply with the requirements of the Philippine Green Building Code, which promotes resource management efficiency and site sustainability. The Design and Construction Management Group is responsible for ensuring compliance with the Philippine Green Building Code requirements, in collaboration with third-party technical consultants and contractors. Contractors identify and implement energy conservation measures in their projects, while the design team works with the technical consultants in identifying energy-efficient designs.</p> <p>The Company does not patronize suppliers that do not comply with government and environmental policies.</p> <p><b>2023 Sustainability Report, pp. 6-11, attached to the 2023 Annual Report</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abc a0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abc a0fa0c5b4e4d0</a></p>	
--	------------------	---	--

<p>2. Company exerts effort to interact positively with the communities in which it operates</p>	<p>Compliant</p>	<p>Empire East is a public Company that serves a community of various stakeholders. As an active member of society, Empire East has a responsibility to help promote what it truly values: community growth, resilient cities, and safe and inclusive areas that enable people to thrive.</p> <p>The company also engages in various CSR activities advocating for social accountability and enhancing the environment and society as a whole.</p> <p><b>2023 Sustainability Report, pp. 17-18, attached to the 2023 Annual Report</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abc0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=2c8258bd44be4714abc0fa0c5b4e4d0</a></p>	
--	------------------	---	--

Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of MAKATI on 30 MAY 2024 2024.

**SIGNATURES**

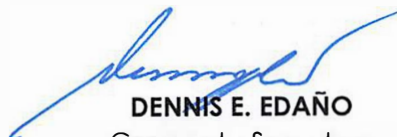
  
**ANDREW L. TAN**  
Chairman of the Board

  
**ANTHONY CHARLEMAGNE C. YU**  
President/Chief Executive Officer

  
**SERGIO R. ORTIZ-LUIS, JR.**  
Independent Director

  
**CRESENCIO P. AQUINO**  
Independent Director

  
**LINO P. VICTORIOSO, JR.**  
Compliance Officer

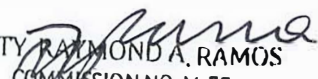
  
**DENNIS E. EDAÑO**  
Corporate Secretary

**30 MAY 2024**

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_\_ day of \_\_\_\_\_ 2024, affiant(s) exhibiting to me their Identification Nos., as follows:

NAME	IDENTIFICATION CARD NUMBER
Andrew L. Tan	
Anthony Charlemagne C. Yu	
Sergio R. Ortiz-Luis, Jr.	
Cresencio P. Aquino	
Lino P. Victorioso, Jr.	
Dennis E. Edaño	

Doc No. 247  
Page No. 87  
Book No. 320  
Series of 2024.

  
**ATTY. RAYMOND A. RAMOS**  
COMMISSION NO. M 77  
NOTARY PUBLIC FOR MAKATI CITY  
UNTIL DECEMBER 31, 2024  
2364 ANGONO STREET  
BARANGAY POBLACION 1210, MAKATI CITY  
SC Roll No. 62179/04-26-2013  
IBP NO. 374750/12-26-2023/Pasig City  
PTR NO. MKT 10074525/01-02-2024/Makati City  
MCLE Compliance No. VII-0920180/04-14-2025

**NOTARY PUBLIC**