

COVER SHEET

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(Company's Full name)

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(Principal Office)

Atty. Sheila Pasicolan - Camerino
Contact Person

634-8387
Tel. No.

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I - A C G R
FORM TYPE

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Secondary License, (if applicable type)

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Dept. requiring this doc

N/A

Amended Articles number

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Total stockholders

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Domestic

Foreign

To be accomplished by SEC personnel concerned

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SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended: 31 December 2018
2. SEC Identification Number CS201524712
3. BIR Tax Identification No. 009-192-878
4. Exact name of issuer as specified in its charter: WILCON DEPOT, INC.
5. QUEZON CITY, PHILIPPINES
Province, Country or other jurisdiction of incorporation
or organization
6. (SEC Use Only)
Industry Classification Code:
7. 90 E. RODRIGUEZ JR. AVENUE, UGONG NORTE, QUEZON CITY 1110
Address of principal office Postal Code
8. (02) 634 8387
Issuer's telephone number, including area code
9. N/A
Former name, former address, and former fiscal year, if changed since last report.

WILCON DEPOT, INC.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

For the fiscal year ended 31 December 2018

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT		EXPLANATION
COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	
<p>The Board's Governance Responsibilities</p> <p>Principle 1: The company should be headed by a competent, working board to foster the long-term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.</p>		
<p>Recommendation 1.1</p>		
<p>1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.</p> <p>2. Board has an appropriate mix of competence and expertise.</p> <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>The Directors of the Company have various experiences in different fields and industries such as retail, finance and realty.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ Board of Directors and Executive Officers https://investor.wilcon.com.ph/board-of-directors-and-executive-officers/ ➤ 2018 Annual Report of the Company Page 18-19 https://investor.wilcon.com.ph/annual-reports/ ➤ Definitive Information Statement for June 18 2018 Page 13-15 https://investor.wilcon.com.ph/sec-filings/ ➤ Revised Manual on Corporate Governance Section III Page 4-5 https://investor.wilcon.com.ph/corporate-governance-manual/ 	
<p>Recommendation 1.2</p>		

<p>1. Board is composed of a majority of non-executive directors.</p>	<p>NON-COMPLIANT</p>		<p>The Company has seven directors: four (4) independent and three (3) executive directors.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 18-19 Page 36 https://investor.wilcon.com.ph/annual-reports/
<p>Recommendation 1.3</p>			
<p>1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.</p>	<p>COMPLIANT</p>	<p>The Company ensures that its directors are abreast and well-informed of relevant topics, frameworks and methods that are essential in the performance of their obligations. The Company provides comprehensive 8-hour orientation program for new directors and annual 4-hour training for existing directors and officers of the Company.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section III Page 4 https://investor.wilcon.com.ph/corporate-governance-manual/ ➤ 2018 Annual Report of the Company Page 38 https://investor.wilcon.com.ph/annual-reports/ 	

<p>2. Company has an orientation program for first time directors.</p>	<p>COMPLIANT</p>	<p>The Company ensures that its directors are abreast and well-informed of relevant topics, frameworks and methods that are essential in the performance of their obligations. The Company provides comprehensive 8-hour orientation program for new directors and annual 4-hour training for existing directors and officers of the Company.</p> <p>On 18 June 2018, the members of the Board as well as officers of the Company attended a corporate governance seminar, entitled “Corporate Governance: Breaking Through Modern Controls” conducted by the Center for Training and Development, Inc. This 4-hour annual CG training covered the following topics:</p> <ul style="list-style-type: none"> ▪ Understanding Financial Reports ▪ TRAIN Law ▪ Director’s Liability Cases ▪ Fraud Awareness <p>References:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section III Page 4 https://investor.wilcon.com.ph/corporate-governance-manual/ ➤ 2018 Annual Report of the Company Page 38 https://investor.wilcon.com.ph/annual-reports/
<p>3. Company has relevant annual continuing training for all directors.</p>	<p>COMPLIANT</p>	<p>The Company ensures that its directors are abreast and well-informed of relevant topics, frameworks and methods that are essential in the performance of their obligations. The Company provides comprehensive 8-hour orientation program for new directors and annual 4-hour training for existing directors and officers of the Company.</p> <p>On 18 June 2018, the members of the Board as well as officers of the Company attended a corporate governance seminar, entitled “Corporate Governance: Breaking Through Modern Controls” conducted by the Center for Training and Development, Inc. This 4-hour annual CG training covered the following topics:</p> <ul style="list-style-type: none"> ▪ Understanding Financial Reports ▪ TRAIN Law ▪ Director’s Liability Cases ▪ Fraud Awareness <p>References:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section III Page 4 https://investor.wilcon.com.ph/corporate-governance-manual/ ➤ 2018 Annual Report of the Company Page 38 https://investor.wilcon.com.ph/annual-reports/

Recommendation 1.4

<p>1. Board has a policy on board diversity.</p>	<p>COMPLIANT</p>	<p>The Company has a Board Diversity Policy because it believes that a diverse Board better understands its customer base and the environment that the business operates in. This promotes different perspectives and ideas and mitigates groupthink to achieve optimal decision-making. Board diversity may refer to distinctions in age, ethnicity, culture, skills, competence, knowledge, gender, among other things.</p> <p>The Board of Directors is composed of five (5) males and two (2) females.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 38-39 https://investor.wilcon.com.ph/annual-reports/ ➤ Revised Manual on Corporate Governance Section III Page 5 https://investor.wilcon.com.ph/corporate-governance-manual/ ➤ Board of Directors and Executive Officers https://investor.wilcon.com.ph/board-of-directors-and-executive-officers/ 	
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Optional: Recommendation 1.4

<p>1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.</p>	<p>COMPLIANT</p>	<p>The Company is committed to the following principles:</p> <ul style="list-style-type: none"> ▪ Recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in the attainment of its strategic objectives and maintaining a prudent corporate governance. ▪ All Board appointments are made on merit, in the context of the skills, experience, independence and knowledge, and candidates will be considered against objective criteria, which the Board as a whole requires to be effective. <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 38-39 https://investor.wilcon.com.ph/annual-reports/ ➤ Revised Manual on Corporate Governance Section III Page 5 https://investor.wilcon.com.ph/corporate-governance-manual/ 	
<p>Recommendation 1.5</p>			
<p>1. Board is assisted by a Corporate Secretary.</p>	<p>COMPLIANT</p>	<p>The Board is assisted by a Corporate Secretary,</p>	

<p>2. Corporate Secretary is a separate individual from the Compliance Officer.</p>	<p>COMPLIANT</p>	<p>who is an officer of the Company and separate from the Compliance Officer. The Corporate Secretary is not a member of Board of Directors. On 18 June 2018, he attended the corporate governance seminar, entitled "Corporate Governance: Breaking Through Modern Controls" conducted by the Center for Training and Development, Inc. The Company's Corporate Secretary is Atty. Arthur R. Ponsaran.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 25 Page 37-38 https://investor.wilcon.com.ph/annual-reports/ 	
<p>3. The Corporate Secretary is not a member of the Board of Directors</p>	<p>COMPLIANT</p>	<ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section III Page 5 https://investor.wilcon.com.ph/corporate-governance-manual/ ➤ Board of Directors and Executive Officers https://investor.wilcon.com.ph/board-of-directors-and-executive-officers/ ➤ Definitive Information Statement for June 18 2018 Page 15 https://investor.wilcon.com.ph/sec-filings/ 	

<p>4. The Corporate Secretary attends training/s on Corporate Governance.</p>	<p>COMPLIANT</p>	<p>On 18 June 2018, he attended the corporate governance seminar, entitled "Corporate Governance: Breaking Through Modern Controls" conducted by the Center for Training and Development, Inc.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 38 https://investor.wilcon.com.ph/annual-reports/ ➤ Amended WILCON 2018 17-A Annual Report Page 24 https://investor.wilcon.com.ph/annual-reports/ 	
<p>Optional: Recommendation 1.5</p>			
<p>1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.</p>	<p>COMPLIANT</p>	<p>The Corporate Secretary ensures that items to be discussed as well as materials to be used during the Board meeting is made available to each director at least seven (7) days in advance. In emergency circumstance, however, the meeting may be called at a shorter notice.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 38 https://investor.wilcon.com.ph/annual-reports/ ➤ Revised Manual on Corporate Governance Section IV Page 13 https://investor.wilcon.com.ph/corporate-governance-manual/ 	

Recommendation 1.6		
<p>1. Board is assisted by a Compliance Officer.</p> <p>2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.</p>	<p>COMPLIANT</p> <p>COMPLIANT</p>	<p>The Board is assisted by a Compliance Officer. The qualifications and responsibilities of the Compliance Officer is provided in the Revised Manual on Corporate Governance.</p>
<p>3. Compliance Officer is not a member of the board.</p>	<p>COMPLIANT</p>	<p>The Compliance Officer of the Company is Ms. Grace A. Tiong and she holds a rank of Vice President.</p> <p>The Compliance Officer is not a member of the Board of Director.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section III Page 6 https://investor.wilcon.com.ph/corporate-governance-manual/ ➤ Results of the Organizational Meeting held on June 18, 2018 https://investor.wilcon.com.ph/minutes-of-asm/ ➤ 2018 Annual Report of the Company Page 37 https://investor.wilcon.com.ph/annual-reports/

<p>4. Compliance Officer attends training/s on corporate governance.</p>	<p>COMPLIANT</p>	<p>On 18 June 2018, the members of the Board as well as officers of the Company attended the corporate governance seminar, entitled "Corporate Governance: <i>Breaking Through Modern Controls</i>" conducted by the Center for Training and Development, Inc. This 4-hour annual CG training covered the following topics:</p> <ul style="list-style-type: none"> ▪ Understanding Financial Reports ▪ TRAIN Law ▪ Director's Liability Cases ▪ Fraud Awareness <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company https://investor.wilcon.com.ph/annual-reports/ ➤ Amended WLCOM 2018 17-A Annual Report Page 24 https://investor.wilcon.com.ph/annual-reports/
<p>Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.</p> <p>Recommendation 2.1</p>		

<p>1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.</p>	<p>COMPLIANT</p>	<p>The members of the Board act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company and all shareholders. To ensure a high standard of best practice for the Company, its stockholders and other stakeholders.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 36 https://investor.wilcon.com.ph/annual-reports/ ➤ Revised Manual on Corporate Governance Section IV Page 7 https://investor.wilcon.com.ph/corporate-governance-manual/ 	
<p>Recommendation 2.2</p>			
<p>1. Board oversees the development, review and approval of the company's business objectives and strategy.</p>	<p>COMPLIANT</p>	<p>It is the duty of the Board to oversee the development of and approve the Company's business objective and strategy, and monitor their implementation, in order to sustain the Company's long term viability and strength.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section IV Page 7-8 https://investor.wilcon.com.ph/corporate-governance-manual/ 	
<p>2. Board oversees and monitors the implementation of the company's business objectives and strategy.</p>	<p>COMPLIANT</p>		
<p>Supplement to Recommendation 2.2</p>			

<p>1. Board has a clearly defined and updated vision, mission and core values.</p>	<p>COMPLIANT</p>	<p>The Board has a clearly defined and updated vision, mission and core values.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ Company's mission, vision and core values https://investor.wilcon.com.ph/mission-vision-values/ ➤ 2018 Annual Report of the Company Page 7 https://investor.wilcon.com.ph/annual-reports/ 	
<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>Pursuant to the Revised Manual of Corporate Governance, it is the duty of the Board to oversee the development of and approve the Company's business objective and strategy, and monitor their implementation, in order to sustain the Company's long term viability and strength</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section IV Page 7-8 https://investor.wilcon.com.ph/corporate-governance-manual/ 	

Recommendation 2.3

<p>1. Board is headed by a competent and qualified Chairperson.</p>	<p>COMPLIANT</p>	<p>The Chairman of the Board of the Company is competent, qualified and has various and extensive knowledge and experience in the industry.</p> <p>References:</p> <ul style="list-style-type: none"> ➢ 2018 Annual Report of the Company Page 17 https://investor.wilcon.com.ph/annual-reports/ ➢ Amended WLCOM 2018 17-A Annual Report Page 17 https://investor.wilcon.com.ph/annual-reports/ ➢ Definitive Information of the Company for June 18 2018 Page 13 https://investor.wilcon.com.ph/sec-filings/ 	
<p>Recommendation 2.4</p>			
<p>1. Board ensures and adopts an effective succession planning program for directors, key officers and management.</p>	<p>COMPLIANT</p>	<p>Pursuant to the Revised Manual of Corporate Governance the Board, adopts an effective succession planning program for directors, key</p>	

<p>2. Board adopts a policy on the retirement for directors and key officers.</p>	<p>COMPLIANT</p>	<p>officers and management to ensure growth and a continued increase in the shareholders' value. This shall include adopting a policy on the retirement age of directors and key officer.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section IV Page 7 https://investor.wilcon.com.ph/corporate-governance-manual/ ➤ 2018 Annual Report of the Company Page 45 https://investor.wilcon.com.ph/annual-reports/ 	
<p>Recommendation 2.5</p>			
<p>1. Board aligns the remuneration of key officers and board members with long-term interests of the company.</p>	<p>COMPLIANT</p>	<p>References:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section IV Page 7-8 https://investor.wilcon.com.ph/corporate-governance-manual/ ➤ 2018 Annual Report of the Company Page 37 https://investor.wilcon.com.ph/annual-reports/ 	
<p>2. Board adopts a policy specifying the relationship between remuneration and performance.</p>	<p>COMPLIANT</p>		
<p>3. Directors do not participate in discussions or deliberations involving his/her own remuneration.</p>	<p>COMPLIANT</p>		
<p>Optional: Recommendation 2.5</p>			

<p>1. Board approves the remuneration of senior executives.</p>	<p>COMPLIANT</p>	<p>Pursuant to the Revised Manual of Corporate Governance the Board aligns the remuneration of key officers and Board members with the long-term interests of the Company.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section IV Page 7 https://investor.wilcon.com.ph/corporate-governance-manual/ 	
<p>2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.</p>	<p>COMPLIANT</p>	<p>Reference:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section IV Page 7 https://investor.wilcon.com.ph/corporate-governance-manual/ 	
<p>Recommendation 2.6</p>			
<p>1. Board has a formal and transparent board nomination and election policy.</p>	<p>COMPLIANT</p>	<p>The Board has a formal and transparent nomination and election policy as provided in its Revised Manual on Corporate Governance. The Manual includes the process how the Company accepted nomination from minority shareholders.</p> <p>The profile including the qualifications of each directors are posted on the Company's website and are available to the public.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section IV Page 8 	
<p>2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.</p>	<p>COMPLIANT</p>		
<p>3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.</p>	<p>COMPLIANT</p>		
<p>4. Board nomination and election policy includes how the board shortlists candidates.</p>	<p>COMPLIANT</p>		

<p>5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.</p>	<p>COMPLIANT</p>	<p>https://investor.wilcon.com.ph/corporate-governance-manual/</p> <p>➤ 2018 Annual Report of the Company Page 17 Page 37</p> <p>https://investor.wilcon.com.ph/annual-reports/</p> <p>➤ Definitive Information Statement for June 18 2018 Page 13-14</p> <p>https://investor.wilcon.com.ph/sec-filings/</p> <p>➤ Board of Directors and Executive Officers</p> <p>https://investor.wilcon.com.ph/board-of-directors-and-executive-officers/</p>	
<p>6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.</p>	<p>COMPLIANT</p>		
<p>Optional: Recommendation to 2.6</p>			
<p>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.</p>	<p>COMPLIANT</p>	<p>The Company is allowed to engage the services of professional search firms or use other external sources of candidates when searching for candidates to the Board of Directors.</p> <p>References:</p> <p>➤ Revised Manual on Corporate Governance Section IV Page 8</p> <p>https://investor.wilcon.com.ph/corporate-governance-manual/</p> <p>➤ 2018 Annual Report of the Company Page 41</p> <p>https://investor.wilcon.com.ph/annual-reports/</p>	
<p>Recommendation 2.7</p>			

<p>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.</p>	<p>COMPLIANT</p>	<p>Pursuant to the Revised Manual on Corporate Governance the Board has the 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, particularly those which pass certain thresholds of materiality.</p>	
<p>2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.</p>	<p>COMPLIANT</p>	<p>References:</p>	
<p>3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.</p>	<p>COMPLIANT</p>	<p>➤ Revised Manual on Corporate Governance Section IV Page 7-8 https://investor.wilcon.com.ph/corporate-governance-manual/ ➤ 2018 Annual Report of the Company Page 37 https://investor.wilcon.com.ph/annual-reports/</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>All related party transactions which are considered in the usual course of business as stated in the RPT policy, regardless of amount, which are substantially the same terms as those prevailing at the time for comparable products or services with unrelated parties are exempted from review of the Related Party Transactions Committee. However, all RPTs which are not in the usual course of business which are equal or greater than the materiality threshold of Php 100 Million, shall be subject for review by the Related Party Transactions Committee. The RPT Committee may, at any time ask for a review of any of the transactions.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section V Page 21 https://investor.wilcon.com.ph/corporate-governance-manual/ ➤ 2018 Annual Report of the Company Page 43 https://investor.wilcon.com.ph/annual-reports/ 	
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<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 Board of Directors reviews and approves all material RPTs endorsed by the Related Party Transactions Committee. All Board-approved material RPTs may be subject to ratification by vote of the majority of the minority shareholders</p> <p>References:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section V Page 21 https://investor.wilcon.com.ph/corporate-governance-manual/ ➤ 2018 Annual Report of the Company Page 43 https://investor.wilcon.com.ph/annual-reports/ 	
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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>	<p>COMPLIANT</p>	<p>Pursuant to the Revised Manual on Corporate Governance the Board is responsible for approving the selection and assessing the performance of the Management led by the Chief Executive Officer (CEO), and control functions led by their respective heads (Chief Risk Officer, Chief Compliance Officer, and Chief Audit Executive).</p> <p>References:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section IV Page 8 https://investor.wilcon.com.ph/corporate-governance-manual/ ➤ 2018 Annual Report of the Company Page 37 https://investor.wilcon.com.ph/annual-reports/ 	
<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>References:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section IV Page 8 https://investor.wilcon.com.ph/corporate-governance-manual/ ➤ 2018 Annual Report of the Company Page 37 https://investor.wilcon.com.ph/annual-reports/ 	

Recommendation 2.9

<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.</p>	<p>COMPLIANT</p>	<p>Pursuant to the Revised Manual on Corporate Governance the Board is responsible for establishing an effective performance management framework.</p>	
<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.</p>	<p>COMPLIANT</p>	<p>➤ Revised Manual on Corporate Governance Section IV Page 8 https://investor.wilcon.com.ph/corporate-governance-manual/ ➤ 2018 Annual Report of the Company Page 37 https://investor.wilcon.com.ph/annual-reports/</p>	
<p>Recommendation 2.10</p>			
<p>1. Board oversees that an appropriate internal control system is in place.</p>	<p>COMPLIANT</p>	<p>Pursuant to the Revised Manual on Corporate Governance the Board oversees that an appropriate internal control system is in place, including setting up a mechanism for monitoring and managing potential conflicts of interest of Management, board members, and shareholders.</p>	
<p>2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.</p>	<p>COMPLIANT</p>	<p>References: ➤ Revised Manual on Corporate Governance Section IV Page 8 https://investor.wilcon.com.ph/corporate-governance-manual/ ➤ 2018 Annual Report of the Company Page 37 https://investor.wilcon.com.ph/annual-reports/</p>	

<p>3. Board approves the Internal Audit Charter.</p>	<p>COMPLIANT</p>	<p>References:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section IV Page 8 https://investor.wilcon.com.ph/corporate-governance-manual/ ➤ 2018 Annual Report of the Company Page 37 https://investor.wilcon.com.ph/annual-reports/ ➤ Internal Audit Charter https://investor.wilcon.com.ph/committee-charters/ 	
<p>Recommendation 2.11</p>			
<p>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.</p>	<p>COMPLIANT</p>	<p>Pursuant to the Revised Manual on Corporate Governance, the Board oversees the implementation of the enterprise risk management plan through the Board Risk Oversight Committee (BROC).</p>	
<p>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.</p>	<p>COMPLIANT</p>	<p>It is the duty of the BROC to report to the Board on the regular basis, or as deemed necessary, the Company's materials risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as necessary.</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section V Page 18 https://investor.wilcon.com.ph/corporate-governance-manual/ 	
<p>Recommendation 2.12</p>			
<p>1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.</p>	<p>COMPLIANT</p>	<p>The Board has a charter that clearly defines its roles, responsibilities and accountabilities in carrying out its fiduciary role. The Board Charter is uploaded</p>	

2. Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT	on the Company's website.	
3. Board Charter is publicly available and posted on the company's website.	COMPLIANT	<p>Reference:</p> <ul style="list-style-type: none"> ➤ Board Charter https://investor.wilcon.com.ph/board-charter/ 	
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	COMPLIANT	<p>The Company has adopted an Insider Trading Policy both to satisfy the Company's obligation to prevent insider trading and to help the Company's personnel avoid the consequences associated with violations of the insider trading laws. This policy is also intended to prevent even the appearance of improper conduct on the part of anyone employed by or associated with the Company, not just so-called "insiders".</p> <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 43 https://investor.wilcon.com.ph/annual-reports/ ➤ Company Policies Insider Trading Policy https://investor.wilcon.com.ph/company-policies/ 	
Optional: Principle 2			

<p>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.</p>	<p>COMPLIANT</p>	<p>The Company does not allow or grant loans to its directors.</p> <p>The Related Party Transactions Committee also ensures that all material RPTs are not undertaken on more favorable economic term to such related parties than similar transactions with non-related parties under similar circumstances and that no corporates or business resources of the Company are misappropriated or misapplied.</p> <p>All RPTs shall have terms and conditions that are fair and equitable to the Company. No unusual privilege or special treatment shall be afforded a Related Party.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ Related Party Transactions Committee Charter https://investor.wilcon.com.ph/contents/uploads/2019/02/committee_charters.pdf ➤ Revised Manual on Corporate Governance Section V Page 19-20 https://investor.wilcon.com.ph/corporate-governance-manual/ 	

<p>2. Company discloses the types of decision requiring board of directors' approval.</p>	<p>COMPLIANT</p>	<p>All RPTs which are not in the usual course of business which are equal or greater than the materiality threshold of Php 100 Million, shall be subject for review by the Related Party Transactions Committee. The RPT Committee may, at any time ask for a review of any of the transactions. The Board of Directors reviews and approves all material RPTs endorsed by the Related Party Transactions Committee.</p> <p>As of December 2018, there were no RPTs that are not in the usual course of business which are equal or greater than the materiality threshold of Php 100 Million.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section V Page 21 https://investor.wilcon.com.ph/corporate-governance-manual/ ➤ 2018 Annual Report of the Company Page 43 https://investor.wilcon.com.ph/annual-reports/
<p>Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.</p> <p>Recommendation 3.1</p>		

<p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	<p>COMPLIANT</p>	<p>To address specific tasks and responsibilities and ensure optimal performance of the Board, the Board had organized seven (7) committees, namely the Executive Committee, the Corporate Governance Committee, the Audit Committee, the Board Risk Oversight Committee, Related Party Transactions Committee, Nomination Committee and the Compensation Committee. The members of the Committees are appointed by the Board annually.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section V Page 13-22 https://investor.wilcon.com.ph/corporate-governance-manual/ ➤ 2018 Annual Report of the Company Page 39 https://investor.wilcon.com.ph/annual-reports/
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Recommendation 3.2

<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 Board has established an Audit Committee. Its primary function is to enhance the Board's 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>References:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section V Page 15-17 https://investor.wilcon.com.ph/corporate-governance-manual/ ➤ 2018 Annual Report of the Company Page 40 https://investor.wilcon.com.ph/annual-reports/ ➤ Audit Committee Charter Page 4 https://investor.wilcon.com.ph/committee-charters/ 	
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<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>The Audit Committee is composed of three (3) independent directors. The chairman of the Audit Committee is an independent director.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 40 https://investor.wilcon.com.ph/annual-reports/ ➤ Board Committees https://investor.wilcon.com.ph/board-committees/ 	
<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>The members have adequate understanding and competence of the Company's financial management systems and environment particularly, in the areas of accounting, audit and finance.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 19 https://investor.wilcon.com.ph/annual-reports/ ➤ Definitive Information Statement for June 18 2018 Page 13-14 https://investor.wilcon.com.ph/sec-filings/ 	

<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>The Chairman of the Audit Committee is also the Chairman of the Board Risk Oversight Committee and Related Party Transactions Committee. Based on the assessment of the Board of Directors, compliance with this recommendation is not necessary because the roles and responsibilities of the committees mentioned are interrelated.</p>
<p>Supplement to Recommendation 3.2</p>			
<p>1. Audit Committee approves all non-audit services conducted by the external auditor.</p>	<p>COMPLIANT</p>	<p>Pursuant to the Audit Committee Charter, it is the duty of the Audit Committee to evaluate and determine the non-audit work, if any, of the External Auditor, and periodically reviews the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the Company's overall consultancy expenses.</p> <p>There were no non-audit work rendered by the external auditor of the Company for 2018.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ Amended WILCON 2018 17-A Annual Report Page 16 https://investor.wilcon.com.ph/annual-reports/ ➤ Audit Committee Charter Page 4 https://investor.wilcon.com.ph/committee-charters/ 	

<p>2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.</p>	<p>COMPLIANT</p>	<p>On 13 December 2018, the non-executive directors had a separate meeting with the external auditor and head of the internal audit without any executive present and no significant issues or matters had been discussed.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 38 <p>https://investor.wilcon.com.ph/annual-reports/</p>	
<p>Optional: Recommendation 3.2</p>			
<p>1. Audit Committee meet at least four times during the year.</p>	<p>COMPLIANT</p>	<p>The Audit Committee had six meetings in 2018 on January 31, February 20, April 4, May 9, August 8 and November 7, 2018 with 100% attendance in all meetings.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 40 <p>https://investor.wilcon.com.ph/annual-reports/</p>	

<p>2. Audit Committee approves the appointment and removal of the internal auditor.</p>	<p>COMPLIANT</p>	<p>Audit Committee approves the appointment and removal of the internal auditor.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section V Page 16 https://investor.wilcon.com.ph/corporate-governance-manual/ ➤ 2018 Annual Report of the Company ➤ 2018 Report of the Audit Committee to the Board of Directors Page 46 https://investor.wilcon.com.ph/annual-reports/ 	
<p>Recommendation 3.3</p>			

<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 Board has established a Corporate Governance Committee. The Committee is tasked to assist the Board in the performance of its corporate governance responsibilities, including functions that were formerly assigned to the Nomination and Remuneration Committees.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 40 https://investor.wilcon.com.ph/annual-reports/ ➤ Revised Manual on Corporate Governance Section V Page 17-18 https://investor.wilcon.com.ph/corporate-governance-manual/ ➤ Corporate Governance Committee Charter https://investor.wilcon.com.ph/committee-charters/ ➤ Board Committees https://investor.wilcon.com.ph/board-committees/ 	
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<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	<p>COMPLIANT</p>	<p>The Corporate Governance Committee is composed of three (3) independent directors, including the Chairman.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 41 https://investor.wilcon.com.ph/annual-reports/ ➤ Board Committees https://investor.wilcon.com.ph/board-committees/ 	
<p>3. Chairman of the Corporate Governance Committee is an independent director.</p>	<p>COMPLIANT</p>	<p>The Chairman of the Corporate Governance Committee is an independent director. The Chairman is Mr. Rolando S. Narciso.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 41 https://investor.wilcon.com.ph/annual-reports/ ➤ Board Committees https://investor.wilcon.com.ph/board-committees/ 	
<p>Optional Recommendation 3.3.</p>			
<p>1. Corporate Governance Committee meet at least twice during the year.</p>	<p>COMPLIANT</p>	<p>The Committee had two (2) meetings in 2018.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 40 https://investor.wilcon.com.ph/annual-reports/ 	

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

The Board has established a Board Risk Oversight Committee (BROC). It shall be responsible for the oversight of the Company's Enterprise Risk Management system to ensure its functionality and effectiveness.

References:

- 2018 Annual Report of the Company Page 40

<https://investor.wilcon.com.ph/annual-reports/>

- Board Committees

<https://investor.wilcon.com.ph/board-committees/>

- Revised Manual on Corporate Governance Section V Page 18-19

<https://investor.wilcon.com.ph/corporate-governance-manual/>

- Board Risk Oversight Committee Charter

<https://investor.wilcon.com.ph/committee-charters/>

<p>2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p>	<p>COMPLIANT</p>	<p>The BROC is composed of three (3) independent directors. The chairman of the Board Risk Oversight Committee is an independent director.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 40 https://investor.wilcon.com.ph/annual-reports/ ➤ Board Committees https://investor.wilcon.com.ph/board-committees/ 	
<p>3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.</p>	<p>NON-COMPLIANT</p>		<p>The Chairman of the Board Risk Oversight Committee is also the Chairman of the Related Party Transactions Committee and Audit Committee. Based on the assessment of the Board of Directors of the Company, compliance with this recommendation is not necessary because the roles and responsibilities of the committees mentioned are interrelated.</p>

<p>4. At least one member of the BROCC has relevant thorough knowledge and experience on risk and risk management.</p>	<p>COMPLIANT</p>	<p>The members of the committee have adequate and competent understanding and experience on risk management principles and practices, in addition to thorough knowledge of the Company's Business and industry in which it operates.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 19 https://investor.wilcon.com.ph/annual-reports/ ➤ Definitive Information Statement for June 18, 2018 Page 14 https://investor.wilcon.com.ph/sec-filings/ 	
<p>Recommendation 3.5</p>			

<p>1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.</p>	<p>COMPLIANT</p>	<p>The Board has established a Related Party Transactions (RPT) Committee. Its primary function is to review all material related party transactions (RPT).</p> <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 40 https://investor.wilcon.com.ph/annual-reports/ ➤ Related Party Transactions (RPT) Committee Charter https://investor.wilcon.com.ph/committee-charters/ ➤ Revised Manual on Corporate Governance Section V Page 19-21 https://investor.wilcon.com.ph/corporate-governance-manual/ 	
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<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>The RPT Committee is composed of three (3) independent directors. The chairman of the Board Risk Oversight Committee is an independent director.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 40 https://investor.wilcon.com.ph/annual-reports/ ➤ Board Committees https://investor.wilcon.com.ph/board-committees/ ➤ Revised Manual on Corporate Governance Section V Page 19 https://investor.wilcon.com.ph/corporate-governance-manual/ 	
<p>Recommendation 3.6</p>			
<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.</p>	<p>COMPLIANT</p>	<p>All committees have its own committee charter uploaded on the Company's website and are available to the public.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ Committee Charters https://investor.wilcon.com.ph/committee-charters/ 	
<p>2. Committee Charters provide standards for evaluating the performance of the Committees.</p>	<p>COMPLIANT</p>	<p>Reference:</p> <ul style="list-style-type: none"> ➤ Committee Charters https://investor.wilcon.com.ph/committee-charters/ 	
<p>3. Committee Charters were fully disclosed on the company's website.</p>	<p>COMPLIANT</p>	<p>Reference:</p> <ul style="list-style-type: none"> ➤ Committee Charters https://investor.wilcon.com.ph/committee-charters/ 	

<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.</p>		
<p>Recommendation 4.1</p>		
<p>1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.</p>	<p>COMPLIANT</p>	<p>Pursuant to the Revised Manual on Corporate Governance, the Directors shall have the responsibility to 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>The Board of Directors had seven (7) regular meetings in 2018. In all these regular meetings the members of the Board were 100% present. The Board also had ten (10) special meetings.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section VI Page 22 https://investor.wilcon.com.ph/corporate-governance-manual/ ➤ 2018 Annual Report of the Company Page 38 https://investor.wilcon.com.ph/annual-reports/

<p>2. The directors review meeting materials for all Board and Committee meetings.</p>	<p>COMPLIANT</p>	<p>It is the duty of all the directors to review meeting materials for all Board and Committee meetings. Items to be discussed as well as materials to be used during the Board meeting is made available to each director at least seven (7) days in advance.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 38 https://investor.wilcon.com.ph/annual-reports/ ➤ Revised Manual on Corporate Governance Section VI Page 22 https://investor.wilcon.com.ph/corporate-governance-manual/ 	
<p>3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.</p>	<p>COMPLIANT</p>	<p>Reference:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section VI Page 22 https://investor.wilcon.com.ph/corporate-governance-manual/ 	
<p>Recommendation 4.2</p>			

<p>1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.</p>	<p>COMPLIANT</p>	<p>Pursuant to the Revised Manual on Corporate Governance of the Company non-executive and independent directors may hold a maximum of (5) board seats in publicly-listed companies simultaneously.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section VI Page 22 https://investor.wilcon.com.ph/corporate-governance-manual/ ➤ Definitive Information Statement for June 18, 2018 Annex D – Certification of Independent Directors https://investor.wilcon.com.ph/sec-filings/ 	
<p>Recommendation 4.3</p>			
<p>1. The directors notify the company's board before accepting a directorship in another company.</p>	<p>COMPLIANT</p>	<p>Pursuant to the Revised Manual on Corporate Governance of the Company, the director shall notify the Board where he/she is an incumbent before accepting a directorship in another company.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section VI Page 22 https://investor.wilcon.com.ph/corporate-governance-manual/ 	
<p>Optional: Principle 4</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 Executive Directors of the Company do not hold directorship in other publicly listed companies.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 18 https://investor.wilcon.com.ph/annual-reports/ ➤ Definitive Information Statement for June 18, 2018 Annex D – Certification of Independent Directors https://investor.wilcon.com.ph/sec-filings/ ➤ Board of Directors and Executive Officers https://investor.wilcon.com.ph/board-of-directors-and-executive-officers/ 	
<p>2. Company schedules board of directors' meetings before the start of the financial year.</p>	<p>COMPLIANT</p>	<p>The date and time of board meetings are provided in advance during the previous year to the directors.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 38 https://investor.wilcon.com.ph/annual-reports/ 	

<p>3. Board of directors meet at least six times during the year.</p>	<p>COMPLIANT</p>	<p>The Board of Directors had seven (7) regular meetings in 2018. In all these regular meetings the members of the Board were 100% present. The Board also had ten (10) special meetings.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 38 https://investor.wilcon.com.ph/annual-reports/ 	
<p>4. Company requires as minimum quorum of at least 2/3 for board decisions.</p>	<p>NON-COMPLIANT</p>		<p>Pursuant to Section 3.6 of the amended by-laws of the Company, a majority of the number of directors as fixed in the Articles of Incorporation shall constitute a quorum for the transaction of corporate business and every decision of at least a majority of the directors present at a meeting at which there is a quorum shall be valid as a corporate act, except for the election of officers of which shall require the vote of a majority of all members of the Board.</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>COMPLIANT</p>	<p>The Board is composed of four (4) independent directors, including the Chairman.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 36 https://investor.wilcon.com.ph/annual-reports/ ➤ Board of Directors and Executive Officers https://investor.wilcon.com.ph/board-of-directors-and-executive-officers/ ➤ Definitive Information Statement for June 18, 2018 Page 13-14 https://investor.wilcon.com.ph/sec-filings/ 	
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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>The independent directors of the Company possess all the qualifications and none of the disqualifications to hold the position of independent director.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 36 https://investor.wilcon.com.ph/annual-reports/ ➤ Board of Directors and Executive Officers https://investor.wilcon.com.ph/board-of-directors-and-executive-officers/ ➤ Definitive Information Statement for June 18, 2018 Page 13-14 https://investor.wilcon.com.ph/sec-filings/ 	
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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 Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.</p> <p>Pursuant to the Revised Manual on Corporate Governance of the Company, independent directors must be independent of Management, substantial shareholdings and material relations, whether it be business or otherwise, which could reasonably be perceived to impede the performance of independent judgment.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section VII Page 22 <p>https://investor.wilcon.com.ph/corporate-governance-manual/</p>	
<p>Recommendation 5.3</p>			
<p>1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).</p>	<p>COMPLIANT</p>	<p>The company was only listed on March 31, 2017. Accordingly, its independent directors are serving less than nine years.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 36 <p>https://investor.wilcon.com.ph/annual-reports/</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>Pursuant to the Revised Manual on Corporate Governance of the Company, the Board's independent directors shall serve for a maximum cumulative term of nine years. After which, the independent director shall be perpetually barred from re-election as such in the Company.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section VII Page 24 <p>https://investor.wilcon.com.ph/corporate-governance-manual/</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>	<p>Pursuant to the Revised Manual on Corporate Governance of the Company, in the instance that the Company wants to retain an independent director who has served for nine years, the Board shall provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section VII Page 24 <p>https://investor.wilcon.com.ph/corporate-governance-manual/</p>	

Recommendation 5.4

<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 of the Company is Mr. Bertram B. Lim while the President-CEO of the Company is Ms. Lorraine Belo—Cincochan.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 18 https://investor.wilcon.com.ph/annual-reports/ ➤ Board of Directors and Executive Officers https://investor.wilcon.com.ph/board-of-directors-and-executive-officers/ ➤ Definitive Information Statement for June 18, 2018 Page 13 https://investor.wilcon.com.ph/sec-filings/ 	
<p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p>	<p>COMPLIANT</p>	<p>Pursuant to the Revised Manual on Corporate Governance of the Company the Chairman of the Board and Chief Executive Officer have clearly defined roles and responsibilities.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section IV and VII https://investor.wilcon.com.ph/corporate-governance-manual/ 	

Recommendation 5.5

<p>1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.</p>	<p>COMPLIANT</p>	<p>The Chairman of the Board, Mr. Bertram B. Lim is an independent director.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 18 https://investor.wilcon.com.ph/annual-reports/ ➤ Board of Directors and Executive Officers https://investor.wilcon.com.ph/board-of-directors-and-executive-officers/ ➤ Definitive Information Statement for June 18, 2018 Page 13 https://investor.wilcon.com.ph/sec-filings/ 	
<p>Recommendation 5.6</p>			
<p>1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.</p>	<p>COMPLIANT</p>	<p>Pursuant to the Revised Manual on Corporate Governance of the Company, a director with a material interest in any transaction affecting the Corporation shall abstain from taking part in the deliberations of the same.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section VII Page 25 https://investor.wilcon.com.ph/corporate-governance-manual/ 	
<p>Recommendation 5.7</p>			

<p>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.</p>	<p>COMPLIANT</p>	<p>On 13 December 2018, the non-executive directors had a separate meeting with the external auditor and head of the internal audit without any executive present and no significant issues or matters had been discussed.</p>	
<p>2. The meetings are chaired by the lead independent director.</p>	<p>COMPLIANT</p>	<p>Reference: ➤ 2018 Annual Report of the Company Page 38 https://investor.wilcon.com.ph/annual-reports/</p>	
<p>Optional: Principle 5</p>			
<p>1. None of the directors is a former CEO of the company in the past 2 years.</p>	<p>COMPLIANT</p>	<p>The Company's President-CEO from the time it was publicly listed in 2017 and up to the present is Ms. Lorraine Belo-Cincochan.</p> <p>References: ➤ 2018 Annual Report of the Company Page 18 https://investor.wilcon.com.ph/annual-reports/ ➤ Board of Directors and Executive Officers Company website https://investor.wilcon.com.ph/board-of-directors-and-executive-officers/ ➤ Definitive Information Statement for June 18, 2018 Page 13 https://investor.wilcon.com.ph/sec-filings/</p>	

<p>Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.</p>	
<p>Recommendation 6.1</p>	
<p>1. Board conducts an annual self-assessment of its performance as a whole.</p>	<p>COMPLIANT</p>
<p>2. The Chairman conducts a self-assessment of his performance.</p>	<p>COMPLIANT</p>
<p>3. The individual members conduct a self-assessment of their performance.</p>	<p>COMPLIANT</p>
<p>4. Each committee conducts a self-assessment of its performance.</p>	<p>COMPLIANT</p>
<p>5. Every three years, the assessments are supported by an external facilitator.</p>	<p>COMPLIANT</p>
<p>Recommendation 6.2</p>	
<p>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.</p>	<p>COMPLIANT</p>

Pursuant to the Revised Manual on Corporate Governance of the Company, the best measure of the Board's effectiveness is through an assessment process. Accordingly, the Board, Chairman, individual members of the Board and each committee had assessment evaluation in order to appraise its performance.

Reference:
 ➤ Revised Manual on Corporate Governance Section VIII Page 26
<https://investor.wilcon.com.ph/corporate-governance-manual/>

The Company endeavors to engage an external facilitator to support the assessment of the Board, Chairman, individual members of the Board and each committee.

Pursuant to the Revised Manual on Corporate Governance of the Company, the Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual directors, and committees. This

<p>2. The system allows for a feedback mechanism from the shareholders.</p>	<p>COMPLIANT</p>	<p>system allows for a feedback mechanism from the shareholders.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section VIII Page 26 <p>https://investor.wilcon.com.ph/corporate-governance-manual/</p>	
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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

<p>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.</p>	<p>COMPLIANT</p>	<p>The Board has adopted a Code of Business Conduct and Ethics that embodies the values and principles that will guide the Company's directors, officers and employees in the fulfillment and performance of their duties and responsibilities as well as in their dealings and transactions with the Company's customers, investors, suppliers, contractors, regulators and the public in general.</p> <p>The Company also ensures that all its transactions comply and in accordance with the relevant laws and regulations.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ Code of Business Conduct and Ethics https://investor.wilcon.com.ph/code-of-business-conduct-and-ethics/ ➤ Revised Manual on Corporate Governance Section IX Page 26 https://investor.wilcon.com.ph/corporate-governance-manual/ ➤ 2018 Annual Report of the Company Page 42 https://investor.wilcon.com.ph/annual-reports/
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<p>2. The Code is properly disseminated to the Board, senior management and employees.</p>	<p>COMPLIANT</p>	<p>The Company's code of business conduct and ethic is disseminated and explained to the Board, senior management and employees during its orientation. This is also uploaded on the Company's website.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ Code of Business Conduct and Ethics <p>https://investor.wilcon.com.ph/code-of-business-conduct-and-ethics/</p>	
<p>3. The Code is disclosed and made available to the public through the company website.</p>	<p>COMPLIANT</p>	<p>The Code of Business Conduct and Ethics of the Company is disclosed and made available to the public through the company website.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ Code of Business Conduct and Ethics <p>https://investor.wilcon.com.ph/code-of-business-conduct-and-ethics/</p>	

Supplement to Recommendation 7.1

<p>1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.</p>	<p>COMPLIANT</p>	<p>It is the policy of the Company to conduct all of its business in an honest and ethical manner. The Company take a zero-tolerance approach to bribery and corruption and commits to act professionally, fairly and with integrity in all its business dealings and relationships whenever and wherever it operates.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 43 https://investor.wilcon.com.ph/annual-reports/ ➤ Company Policies Anti-Bribery and Corruption Policy https://investor.wilcon.com.ph/company-policies/
<p>Recommendation 7.2</p>		
<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>Pursuant to the Revised Manual on Corporate Governance of the Company, the Board shall ensure proper and efficient implementation and monitoring of compliance with the Code of Ethics and internal policies.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section IX Page 26 https://investor.wilcon.com.ph/corporate-governance-manual/
<p>2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.</p>	<p>COMPLIANT</p>	
<p>Disclosure and Transparency</p>		
<p>Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.</p>		
<p>Recommendation 8.1</p>		

<p>1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.</p>	<p>COMPLIANT</p>	<p>Pursuant to the Revised Manual on Corporate Governance of the Company, the Board shall ensure that policies and procedures are in place to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders to give a fair and complete picture of the Company's financial condition, results and business operations.</p> <p>Reports are submitted on or before the deadline and are uploaded on the Company's website and are available to the public.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section IX Page 26 https://investor.wilcon.com.ph/corporate-governance-manual/ ➤ Company Disclosures https://investor.wilcon.com.ph/sec-filings/ https://investor.wilcon.com.ph/annual-reports/ https://investor.wilcon.com.ph/quarterly/ 	
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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>The Company's quarterly reports were submitted and made available to the public within forty five (45) days from the end of the reporting periods.</p> <p>Q1 2018 was submitted on 15 May 2018 Q2 2018 was submitted on 13 August 2018 Q3 2018 was submitted on 9 November 2018</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ Company Quarterly Reports <p>https://investor.wilcon.com.ph/quarterly/</p> <p>While the audited financial statement of the Company was submitted on March 18, 2019, seventy-seven (77) days from the end of the fiscal year as at December 31, 2018.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ Company Annual Reports <p>https://investor.wilcon.com.ph/annual-reports/</p>	
<p>2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p>	<p>COMPLIANT</p>	<p>The Security Ownership of Certain Record and Beneficial Owners and Management are disclosed in the SEC Form 17-A of the Company.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ Amended WLCON 2018 17-A Annual Report Page 21 <p>https://investor.wilcon.com.ph/annual-reports/</p>	

Recommendation 8.2

<p>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.</p>	<p>COMPLIANT</p>	<p>Pursuant to the Revised Manual on Corporate Governance, the Company has a policy of requiring all directors and officers to disclose/report to the Company any dealings in the Company's shares within three (3) business days.</p>	
<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>Reference: ➤ Revised Manual on Corporate Governance Section X Page 27 https://investor.wilcon.com.ph/corporate-governance-manual/</p>	

Supplement to Recommendation 8.2

<p>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).</p>	<p>COMPLIANT</p>	<p>The shareholdings of directors, management and top 100 shareholders are provided in the following:</p> <p>References:</p> <ul style="list-style-type: none"> ➤ Amended WILCON 2018 17-A Annual Report Page 21 https://investor.wilcon.com.ph/annual-reports/ ➤ Definitive Information Statement for June 18, 2018 Page 9-10 https://investor.wilcon.com.ph/sec-filings/ <p>Top 100 stockholders of the Company are submitted and uploaded quarterly.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ List of Top 100 stockholders https://investor.wilcon.com.ph/quarterly/ <p>The conglomerate map of the Company can be found at the Company's website.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ Conglomerate Map https://investor.wilcon.com.ph/conglomerate-map/ 	
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Recommendation 8.3

<p>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.</p>	<p>COMPLIANT</p>	<p>The profiles of the directors of the Company are disclosed on the Company's website and made available to the public.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ Board of Directors and Executive Officers https://investor.wilcon.com.ph/board-of-directors-and-executive-officers/ ➤ 2018 Annual Report of the Company Page 18-19 https://investor.wilcon.com.ph/annual-reports/ ➤ Definitive Information Statement for June 18, 2018 Page 13-14 https://investor.wilcon.com.ph/sec-filings/ ➤ Amended WILCON 2018 17-A Annual Report Page 17-18 https://investor.wilcon.com.ph/annual-reports/ 	
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<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>The profiles of the key executives of the Company are disclosed on the Company's website and made available to the public.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ Board of Directors and Executive Officers https://investor.wilcon.com.ph/board-of-directors-and-executive-officers/ ➤ Definitive Information Statement for June 18, 2018 Page 15-16 https://investor.wilcon.com.ph/sec-filings/ ➤ Amended WLCON 2018 17-A Annual Report Page 18-19 https://investor.wilcon.com.ph/annual-reports/ 	
<p>Recommendation 8.4</p>			
<p>1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.</p>	<p>COMPLIANT</p>	<p>Remuneration of the Board is disclosed in the following:</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ Definitive Information Statement for June 18, 2018 Page 18 https://investor.wilcon.com.ph/sec-filings/ 	

<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>Pursuant to the Revised Manual on Corporate Governance of the Company, the Remuneration and Compensation Committee shall ensure that the compensation policies and practices are consistent with the corporate culture, strategy and business environment under which the Company operates.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section V Page 21 <p>https://investor.wilcon.com.ph/corporate-governance-manual/</p>	
<p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p>	<p>NON-COMPLIANT</p>		<p>Remuneration of the executive directors and key management officers of the Company is provided as a group or in lump sum and not on individual basis for security purposes.</p>
<p>Recommendation 8.5</p>			

<p>1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.</p>	<p>COMPLIANT</p>	<p>Pursuant to the Revised Manual on Corporate Governance the Board shall have the 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, particularly those which pass certain thresholds of materiality.</p> <p>A director with a material interest in any transaction affecting the Corporation shall abstain from taking part in the deliberations of the same.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section VII Page 25 https://investor.wilcon.com.ph/corporate-governance-manual/ <p>Related Party Transaction Policy of the Company is uploaded on the Company's website:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 43 https://investor.wilcon.com.ph/annual-reports/ ➤ Company Policies https://investor.wilcon.com.ph/company-policies/ 	
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<p>2. Company discloses material or significant RPTs reviewed and approved during the year.</p>	<p>COMPLIANT</p>	<p>There were no RPTs which are not in the usual course of business which are equal or greater than the materiality threshold of Php 100 Million.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Related Party Transaction Policy Page 43 https://investor.wilcon.com.ph/annual-reports/ ➤ Company Policies https://investor.wilcon.com.ph/company-policies/ 	
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Supplement to Recommendation 8.5

<p>1. Company requires directors to disclose their interests in transactions or any other conflict of interests.</p>	<p>COMPLIANT</p>	<p>It is the policy of the Company that directors must never allow themselves to be placed in a position where their personal interests are in conflict (or could be in conflict) with the interests or business of the Company. They must avoid any situation or activity that compromises, or may compromise, their judgment or ability to act in the best interest of the Company. It is the duty of a director to report to the Board any conflict of interest or presumption thereof involving a director which could materially impair the latter's judgment, exercise of duties and responsibilities and loyalty to the Company.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 42 https://investor.wilcon.com.ph/annual-reports/ ➤ Company Policies ➤ Conflict of Interest Policy https://investor.wilcon.com.ph/company-policies/
<p>Optional : Recommendation 8.5</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>COMPLIANT</p>	<p>Related party transactions are generally allowed, provided, that these are done in a sound and prudent manner. The Company is expected to exercise appropriate oversight and to implement effective system in managing these transactions.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 40 https://investor.wilcon.com.ph/annual-reports/

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

The Company ensures full, fair, accurate and timely disclosures to the public of every material fact that occur. It also ensures that it complies with PSE and SEC rules on disclosures.

References:

➤ Company Disclosures

<https://investor.wilcon.com.ph/sec-filings/>

<https://investor.wilcon.com.ph/annual-reports/>

<https://investor.wilcon.com.ph/quarterly/>

<https://investor.wilcon.com.ph/other-disclosures/>

<p>2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.</p>	<p>COMPLIANT</p>	<p>Pursuant to the Revised Manual on Corporate Governance, the Company through its Related Party Transaction Committee shall have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs.</p> <p>There were no matters or actions that were taken up in 2018 with respect to the acquisition or disposition of property.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section V Page 20 https://investor.wilcon.com.ph/corporate-governance-manual/ ➤ Definitive Information Statement for June 18 2018 Page 20 https://investor.wilcon.com.ph/sec-filings/
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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>There are no shareholders agreement, voting trust agreements, confidentiality agreements and such other agreements that may impact on the control, ownership, and strategic direction of the company.</p> <p>There are no arrangements which may result in a change in control of the Company as of December 31, 2018.</p> <p>Reference:</p> <p>➤ Amended WILCON 2018 17-A Annual Report Page 24</p> <p>https://investor.wilcon.com.ph/annual-reports/</p>	
<p>Recommendation 8.7</p>			
<p>1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).</p>	<p>COMPLIANT</p>	<p>The Company's corporate governance policies, programs and procedures are contained in its Revised Manual on Corporate Governance. The Manual was designed to define the framework of rules, systems and processes that governs the performance of the Board and Management. This was submitted to the SEC and PSE and posted on the Company's website.</p> <p>Reference:</p> <p>➤ Revised Manual on Corporate Governance</p> <p>https://investor.wilcon.com.ph/corporate-governance-manual/</p>	
<p>2. Company's MCG is submitted to the SEC and PSE.</p>	<p>COMPLIANT</p>		
<p>3. Company's MCG is posted on its company website.</p>	<p>COMPLIANT</p>		
<p>Supplement to Recommendation 8.7</p>			

<p>1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.</p>	<p>COMPLIANT</p>	<p>The Company submitted its Revised Manual on Corporate Governance on to the PSE and SEC on May 31, 2017.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance <p>https://investor.wilcon.com.ph/corporate-governance-manual/</p>	
<p>Optional: Principle 8</p>			
<p>1. Does the company's Annual Report disclose the following information:</p>		<p>The 2018 Annual Report of the Company contains its corporate objective, financial performance indicators, Non-financial performance indicators, Dividend Policy, profile of the directors, attendance and remuneration.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company <p>https://investor.wilcon.com.ph/annual-reports/</p> <ul style="list-style-type: none"> ➤ Amended WLCON 2018 17-A Annual Report <p>https://investor.wilcon.com.ph/annual-reports/</p>	
<p>a. Corporate Objectives</p>	<p>COMPLIANT</p>		
<p>b. Financial performance indicators</p>	<p>COMPLIANT</p>		
<p>c. Non-financial performance indicators</p>	<p>COMPLIANT</p>		
<p>d. Dividend Policy</p>	<p>COMPLIANT</p>		
<p>e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors</p>	<p>COMPLIANT</p>		
<p>f. Attendance details of each director in all directors meetings held during the year</p>	<p>COMPLIANT</p>		
<p>g. Total remuneration of each member of the board of directors</p>	<p>NON-COMPLIANT</p>		<p>Remuneration of the executive directors of the Company is provided as a group or in lump sum and not on individual basis for security purposes.</p>

<p>2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.</p>	<p>COMPLIANT</p>	<p>The Board of Directors shall be primarily responsible for the governance of the Company and shall, hence, ensure compliance with the principles of good corporate governance.</p> <p>To strictly observe and implement the provisions of this Manual, corresponding penalties shall be imposed, after notice and hearing, on the Company's directors, officers, staff, subsidiaries, and affiliates and their respective directors, officers, and staff in case of violation of any of the provisions of the Manual.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ Amended WILCON 2018 17-A Annual Report Page 24 https://investor.wilcon.com.ph/annual-reports/ ➤ 2018 Annual Report of the Company Page 36 https://investor.wilcon.com.ph/annual-reports/ 	
<p>3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.</p>	<p>COMPLIANT</p>	<p>The 2018 Report of the Audit Committee to the Board of Directors and Certification on Internal Control are disclosed and published in the 2018 Annual Report of the Company.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 44-46 https://investor.wilcon.com.ph/annual-reports/ 	

<p>4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.</p>	<p>COMPLIANT</p>	<p>The 2018 Report of the Audit Committee to the Board of Directors and Certification on Internal Control are disclosed and published in the 2018 Annual Report of the Company.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 44-46 <p>https://investor.wilcon.com.ph/annual-reports/</p>	
<p>5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).</p>	<p>COMPLIANT</p>	<p>The 2018 Report of the Audit Committee to the Board of Directors and Certification on Internal Control are disclosed and published in the 2018 Annual Report of the Company.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 44-46 <p>https://investor.wilcon.com.ph/annual-reports/</p>	
<p>Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.</p> <p>Recommendation 9.1</p>			

<p>1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.</p>	<p>COMPLIANT</p>	<p>Pursuant to the Audit Committee Charter, the Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditor. The appointment, reappointment, removal, and fees of the external auditor should be recommended by the Audit Committee, approved by the Board and ratified by the shareholders.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ Audit Committee Charter Page 4 <p>https://investor.wilcon.com.ph/committee-charters/</p>	
<p>2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.</p>	<p>COMPLIANT</p>	<p>Pursuant to the Audit Committee Charter, the appointment, reappointment, removal, and fees of the external auditor are to be recommended by the Audit Committee, approved by the Board and ratified by the shareholders.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ Audit Committee Charter Page 4 <p>https://investor.wilcon.com.ph/committee-charters/</p> <ul style="list-style-type: none"> ➤ Minutes of the Annual Stockholders' Meeting held on June 18, 2018 Page 5 <p>https://investor.wilcon.com.ph/minutes-of-asm/</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>Pursuant to the Audit Committee Charter, the removal of the external auditor, the reasons for removal or change should be disclosed to the regulators and the public through the Company website and required disclosures.</p> <p>There was no change in the external auditor of the company in 2018.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ Audit Committee Charter Page 4 <p>https://investor.wilcon.com.ph/committee-charters/</p>	
<p>Supplement to Recommendation 9.1</p>			
<p>1. Company has a policy of rotating the lead audit partner every five years.</p>	<p>COMPLIANT</p>	<p>The Company has a policy of rotating the lead audit partner every five (5) years.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ Policy on Rotation of External Auditor <p>https://investor.wilcon.com.ph/contents/uploads/2019/02/Policy_on_Rotation_of_External_Auditor.pdf</p>	
<p>Recommendation 9.2</p>			

<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <ul style="list-style-type: none"> i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. 	COMPLIANT	<p>Reference:</p> <ul style="list-style-type: none"> ➤ Audit Committee Charter https://investor.wilcon.com.ph/committee-charters/ 	
<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>Reference:</p> <ul style="list-style-type: none"> ➤ Audit Committee Charter https://investor.wilcon.com.ph/committee-charters/ 	
Supplement to Recommendations 9.2			
<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>Reference:</p> <ul style="list-style-type: none"> ➤ Audit Committee Charter https://investor.wilcon.com.ph/committee-charters/ 	
<p>2. Audit Committee ensures that the external auditor has adequate quality control procedures.</p>	COMPLIANT	<p>Reference:</p> <ul style="list-style-type: none"> ➤ Audit Committee Charter https://investor.wilcon.com.ph/committee-charters/ 	
Recommendation 9.3			

1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.

COMPLIANT

Pursuant to the Audit Committee Charter, the Audit Committee evaluates and determines the non-audit work, if any, of the External Auditor, and periodically reviews the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the Company's overall consultancy expenses. The Audit Committee should disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Company's Annual Report and Annual Corporate Governance Report.

There were no non-audit work rendered by the external auditor of the Company in 2018.

References:

➤ Audit Committee Charter
Page 4

<https://investor.wilcon.com.ph/committee-charters/>

➤ Amended WLCON 2018 17-A Annual Report
Page 16

<https://investor.wilcon.com.ph/annual-reports/>

<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>	<p>COMPLIANT</p>	<p>Pursuant to the Audit Committee Charter, the Audit Committee should be 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> <p>Reference:</p> <ul style="list-style-type: none"> ➤ Audit Committee Charter Page 4 <p>https://investor.wilcon.com.ph/committee-charters/</p>	
<p>Supplement to Recommendation 9.3</p>			
<p>1. Fees paid for non-audit services do not outweigh the fees paid for audit services.</p>	<p>COMPLIANT</p>	<p>There were no non-audit work rendered by the external auditor of the Company in 2018.</p> <ul style="list-style-type: none"> ➤ Amended WLCOM 2018 17-A Annual Report Page 16 <p>https://investor.wilcon.com.ph/annual-reports/</p>	
<p>Additional Recommendation to Principle 9</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 company's external auditor are as follows:</p> <p>Haydee M. Reyes CPA Certificate No. 83522 BOA Accreditation No. 4782 valid until December 31, 2018 SEC Accreditation No. 0663-AR-3-Group A valid until August 30, 2020 BIR Accreditation No. 08-005144-006-2017 valid until January 31, 2020 Reyes Tacandong & Co., Citibank Tower 8741 Paseo de Roxas, Makati City, Contact No. 982-9100</p>	

<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).</p>	<p>COMPLIANT</p>	<p>The 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). As of date it has not been subjected to any SOAR inspection.</p>	
<p>Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.</p>			
<p>Recommendation 10.1</p>			
<p>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.</p>	<p>COMPLIANT</p>	<p>Pursuant to the Revised Manual on Corporate Governance, the Company shall establish a policy on the disclosure of material and reportable non-financial and sustainability issues, with emphasis on the management of economic, environmental, social and governance (EESG) issues of the business using a globally recognized standard/framework.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section XII Page 28 https://investor.wilcon.com.ph/corporate-governance-manual/ 	
<p>2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.</p>	<p>COMPLIANT</p>	<p>Pursuant to the Revised Manual on Corporate Governance the Company shall adopt framework using a globally recognized standards.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section XII Page 28 https://investor.wilcon.com.ph/corporate-governance-manual/ 	

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

Recommendation 11.1

<p>1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.</p>	<p>COMPLIANT</p>	<p>The Company has media and analysts' briefings as channels of communication. Reference: https://investor.wilcon.com.ph/ir-calendar/</p>	
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Supplemental to Principle 11

<p>1. Company has a website disclosing up-to-date information on the following:</p>		<p>References:</p>	
<p>a. Financial statements/reports (latest quarterly)</p>	<p>COMPLIANT</p>	<p>https://investor.wilcon.com.ph/annual-reports/ https://investor.wilcon.com.ph/quarterly/</p>	
<p>b. Materials provided in briefings to analysts and media</p>	<p>COMPLIANT</p>	<p>https://investor.wilcon.com.ph/presentations/</p>	
<p>c. Downloadable annual report</p>	<p>COMPLIANT</p>	<p>https://investor.wilcon.com.ph/annual-reports/</p>	
<p>d. Notice of ASM and/or SSM</p>	<p>COMPLIANT</p>	<p>https://investor.wilcon.com.ph/ https://investor.wilcon.com.ph/sec-filings/</p>	
<p>e. Minutes of ASM and/or SSM</p>	<p>COMPLIANT</p>	<p>https://investor.wilcon.com.ph/minutes-of-asm/</p>	
<p>f. Company's Articles of Incorporation and By-Laws</p>	<p>COMPLIANT</p>	<p>https://investor.wilcon.com.ph/articles-of-incorporation-and-by-laws-2/</p>	

Additional Recommendation to Principle 11

<p>1. Company complies with SEC-prescribed website template.</p>	<p>COMPLIANT</p>	<p>https://www.wilcon.com.ph/ https://investor.wilcon.com.ph/</p>	
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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

<p>1. Company has an adequate and effective internal control system in the conduct of its business.</p>	<p>COMPLIANT</p>	<p>The Company's Internal Audit adopts the following quality related measures:</p> <ul style="list-style-type: none"> • The Internal Audit (IA) Department adopts the International Standards for the Professional Practice of Internal Auditing. • A structured and best practice audit process and methodologies are being observed. • Internal quality assessment and reviews of the internal audit activity is being established. • Internal Audit policies and manual is being developed. <p>An annual assessment of the general state of the Company's internal control system is being performed and for reporting to the Audit Committee of the Board.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Certification on Internal Control and 2018 Report of the Audit Committee to the Board of Directors Page 44-46 <p>https://investor.wilcon.com.ph/annual-reports/</p>	
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<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>COMPLIANT</p>	<p>The company adopts the ISO 31000 Risk Management framework.</p> <p>Provide information or reference to a document containing information on:</p> <ol style="list-style-type: none"> 1. Company's risk management procedures and processes 2. Key risks the company is currently facing 3. How the company manages the key risks <p>Reference:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Certification on Internal Control and 2018 Report of the Audit Committee to the Board of Directors Page 44-46 <p>https://investor.wilcon.com.ph/annual-reports/</p>	
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Supplement to Recommendations 12.1

<p>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.</p>	<p>COMPLIANT</p>	<p>The Company conducts various trainings for different levels of staff, including trainings tailored to specific job duty, such as trainings on product knowledge for sales personnel, a Leadership Enhancement and Development (LEAD) Program for middle management and also a Career Management Program (CMP) in order to ensure the continuous supply of competent key officers within the organization.</p> <p>The Company has also provided orientation on Data Privacy Awareness as well as policies of the Company such as Anti-Bribery and Corruption Policy, Whistleblower and Anti-Retaliation Policy.</p> <p>Reference:</p> <p>➤ 2018 Annual Report of the Company Page 43-45</p> <p>https://investor.wilcon.com.ph/annual-reports/</p>	
<p>Optional: Recommendation 12.1</p>			
<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>	<p>COMPLIANT</p>	<p>The Company recognizes and pursues the following elements as part of its IT governance process:</p> <ul style="list-style-type: none"> • Roles, responsibilities, and accountabilities are fully defined and enforced across the organization • IT strategies and investments are aligned with business strategies and objectives; <p>Effective management of IT related business risks which include important components such as business continuity planning, disaster recovery, information system and technology security programs, alignment to relevant legal and regulatory requirements, among others; and effective IT resource optimization.</p>	

<p>Recommendation 12.2</p> <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>The internal audit function in the Company is performed by an in-house Internal Audit Department, with some specialized audit co-sourced with third party service provider.</p>
<p>Recommendation 12.3</p> <p>1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.</p>	<p>COMPLIANT</p>	<p>The Company's Head of Internal Audit is Mr. Lauro DG. Francisco.</p> <p>His profile is provided in the Company's SEC Form 17-A and 2019 Definitive Information Statement</p> <p>References:</p> <ul style="list-style-type: none"> ➤ Amended WLCON 2018 17-A Annual Report Page 19 https://investor.wilcon.com.ph/annual-reports/ ➤ 2019 Definitive Information of the Company Page 13 https://investor.wilcon.com.ph/sec-filings/

<p>2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.</p>	<p>COMPLIANT</p>	<p>Pursuant to the Revised Manual on Corporate Governance, the Company, the Chief Audit Executive (CAE), appointed by the Board, shall oversee and be responsible for the internal audit activity of the organization, including the portion that is outsourced to a third party service provider.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section XIV Page 30 <p>https://investor.wilcon.com.ph/corporate-governance-manual/</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>COMPLIANT</p>	<p>Pursuant to the Revised Manual on Corporate Governance, should the Company decide to fully outsource the internal audit activity, a qualified independent executive or senior management personnel shall be assigned the responsibility for managing the fully outsourced internal audit activity.</p> <p>The internal audit function in the Company is performed by an in-house Internal Audit Department.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section XIV Page 30 <p>https://investor.wilcon.com.ph/corporate-governance-manual/</p>	
<p>Recommendation 12.4</p>			

<p>1. Company has a separate risk management function to identify, assess and monitor key risk exposures.</p>	<p>COMPLIANT</p>	<p>Pursuant to the Revised Manual on Corporate Governance, Company shall establish a separate, effective enterprise risk management function to identify, assess and monitor key risk exposures.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section XIV Page 30 <p>https://investor.wilcon.com.ph/corporate-governance-manual/</p>	
<p>Supplement to Recommendation 12.4</p>			
<p>1. Company seeks external technical support in risk management when such competence is not available internally.</p>	<p>COMPLIANT</p>	<p>The Company will seek external technical support in risk management when such competence is not available internally.</p> <p>The Company has developed and implemented its own risk management processes. It did not avail of any assistance or support from a third party service provider.</p>	
<p>Recommendation 12.5</p>			

<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>COMPLIANT</p>	<p>The Company's Chief Risk Officer is Mr. Mark Andrew Y. Belo. His profile is provided in the following documents that were uploaded on the Company's website and made available to the public.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 18 https://investor.wilcon.com.ph/annual-reports/ ➤ Definitive Information Statement for June 18 2018 Page 13 https://investor.wilcon.com.ph/sec-filings/ ➤ Amended WLCON 2018 17-A Annual Report Page 17 https://investor.wilcon.com.ph/annual-reports/ 	
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<p>2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.</p>	<p>COMPLIANT</p>	<p>The CRO of the Company has adequate authority, stature, resources and support to fulfill his responsibilities.</p> <p>His profile is provided in the following documents that were uploaded on the Company's website and made available to the public.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 18 https://investor.wilcon.com.ph/annual-reports/ ➤ Definitive Information Statement for June 18 2018 Page 13 https://investor.wilcon.com.ph/sec-filings/ ➤ Amended WILCON 2018 17-A Annual Report Page 17 https://investor.wilcon.com.ph/annual-reports/ 	
<p>Additional Recommendation to Principle 12</p>			
<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>COMPLIANT</p>	<p>On 8 May 2019, the CEO and Chief Audit Executive of the Company issued a Certification on Internal Controls of the Company.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Certification on Internal Controls Page 45 https://investor.wilcon.com.ph/annual-reports/ 	

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>Pursuant to the Revised Manual on Corporate Governance, the Board shall ensure that basic shareholder rights are disclosed in the Manual on Corporate Governance.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section XV Page 31-34 <p>https://investor.wilcon.com.ph/corporate-governance-manual/</p>	
<p>2. Board ensures that basic shareholder rights are disclosed on the company's website.</p>	<p>COMPLIANT</p>	<p>Pursuant to the Revised Manual on Corporate Governance, the Board shall ensure that basic shareholder rights are disclosed on the company's website.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section XV Page 31-34 <p>https://investor.wilcon.com.ph/corporate-governance-manual/</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Certification on Internal Controls Page 44 <p>https://investor.wilcon.com.ph/annual-reports/</p>	

Supplement to Recommendation 13.1

<p>1. Company's common share has one vote for one share.</p>	<p>COMPLIANT</p>	<p>The Company's common share has one vote for one share</p> <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 44 https://investor.wilcon.com.ph/annual-reports/ ➤ Definitive Information Statement for June 18 2018 Page 8 https://investor.wilcon.com.ph/sec-filings/ 	
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<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>Pursuant to the Revised Manual on Corporate Governance, the Board ensures to treat all shareholders are fairly and equitably and also recognize, protect and facilitate the exercise of their rights.</p> <p>The Company has 4,099,724,116 common shares in 2018.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section XV Page 34 https://investor.wilcon.com.ph/corporate-governance-manual/ ➤ Amended WLCOM 2018 17-A Annual Report Page 1 https://investor.wilcon.com.ph/annual-reports/ ➤ Definitive Information Statement for June 18 2018 Page 8 https://investor.wilcon.com.ph/sec-filings/
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<p>3. Board has an effective, secure, and efficient voting system.</p>	<p>COMPLIANT</p>	<p>The Board has an effective, secure, and efficient voting system.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 44 https://investor.wilcon.com.ph/annual-reports/ ➤ Definitive Information Statement for June 18 2018 Page 8-9 https://investor.wilcon.com.ph/sec-filings/ 	
<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>Pursuant to the Revised Manual on Corporate Governance, the Board ensures to treat all shareholders fairly and equitably and also recognize, protect and facilitate the exercise of their rights.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section XV Page 34 https://investor.wilcon.com.ph/corporate-governance-manual/ 	

<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>Pursuant to the Revised Manual on Corporate Governance, the minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes, and in accordance with law, jurisprudence and the best practice.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section XV Page 33 <p>https://investor.wilcon.com.ph/corporate-governance-manual/</p>	
<p>6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.</p>	<p>COMPLIANT</p>	<p>Pursuant to the Revised Manual on Corporate Governance, the Board ensures to treat all shareholders fairly and equitably and also recognize, protect and facilitate the exercise of their rights.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section XV Page 31 - 34 <p>https://investor.wilcon.com.ph/corporate-governance-manual/</p>	

<p>7. Company has a transparent and specific dividend policy.</p>	<p>COMPLIANT</p>	<p>The Company has a transparent and specific dividend policy.</p> <p>On 9 May 2018, the Board of Directors approved the declaration of cash dividend in the amount of PhP 0.08 regular cash dividend and PhP0.03 special cash dividend or a total of PhP0.11 per common share to all stockholders of record as of 24 May 2018, paid on 8 June 2018, thirty (30) days from the date of declaration.</p> <p>➤ 2019 Definitive Information of the Company Page 24 https://investor.wilcon.com.ph/sec-filings/</p> <p>➤ 2018 Annual Report of the Company Page 42 https://investor.wilcon.com.ph/annual-reports/</p>	
<p>Optional: Recommendation 13.1</p>			
<p>1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.</p>	<p>COMPLIANT</p>	<p>The Company has appointed its external auditor, Reyes Tacandong & Co., to count and or validate the votes at the annual stockholders' meeting</p>	
<p>Recommendation 13.2</p>			

<p>1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.</p>	<p>NON-COMPLIANT</p>	<p>Notice and agenda were sent out to the stockholders on 25 May 2018, twenty-four (24) days prior to the 18 June 2018 meeting. According to section 2.4 of the by-laws of the Company, notices shall be sent at least two weeks prior to the meeting to each stockholders of record.</p> <p>Reference:</p> <p>➤ Definitive Information Statement for June 18 2018</p> <p>https://investor.wilcon.com.ph/sec-filings/</p>
<p>Supplemental to Recommendation 13.2</p>		
<p>1. Company's Notice of Annual Stockholders' Meeting contains the following information:</p>		
<p>a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)</p>	<p>COMPLIANT</p>	<p>Reference:</p> <p>➤ Definitive Information Statement for June 18 2018 Page 13-15</p> <p>https://investor.wilcon.com.ph/sec-filings/</p>
<p>b. Auditors seeking appointment/re-appointment</p>	<p>COMPLIANT</p>	<p>Reference:</p> <p>➤ Definitive Information Statement for June 18 2018 Page 5</p> <p>https://investor.wilcon.com.ph/sec-filings/</p>

c. Proxy documents	COMPLIANT	Reference: ➤ Definitive Information Statement for June 18 2018 Page 6 https://investor.wilcon.com.ph/sec-filings/	
Optional Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	COMPLIANT	Reference: ➤ Definitive Information Statement for June 18 2018 Page 4-5 https://investor.wilcon.com.ph/sec-filings/	
Recommendation 13.3			

<p>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.</p>	<p>COMPLIANT</p>	<p>The result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ Minutes of the Annual Stockholders' Meeting held on June 18, 2018 https://investor.wilcon.com.ph/minutes-of-asm/ ➤ Results of Annual Stockholders' Meeting on June 18, 2018 https://investor.wilcon.com.ph/minutes-of-asm/ ➤ Results of Organizational Meeting on June 18, 2018 https://investor.wilcon.com.ph/minutes-of-asm/ 	
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<p>2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.</p>	<p>COMPLIANT</p>	<p>The Minutes of the Annual and Result of Organizational Meeting of the Board were made available on the Company website within five (5) business days from the end of the meeting.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ Minutes of the Annual Stockholders' Meeting held on June 18, 2018 https://investor.wilcon.com.ph/minutes-of-asm/ ➤ Results of Organizational Meeting on June 18, 2018 https://investor.wilcon.com.ph/minutes-of-asm/ 	
<p>Supplement to Recommendation 13.3</p>			
<p>1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.</p>	<p>COMPLIANT</p>	<p>The external auditor of the Company, Reyes Tacandong & Co. was present during the 2018 ASM of the Company and they were given the opportunity to make statements and respond to appropriate questions.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ Definitive Information Statement for June 18 2018 Page 15 https://investor.wilcon.com.ph/sec-filings/ 	
<p>Recommendation 13.4</p>			

<p>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.</p>	<p>COMPLIANT</p>	<p>Pursuant to the Revised Manual on Corporate Governance, it is the duty of the Board promote candor through confidentiality of the process, the policy of fostering prompt, economical, and amicable resolution of disputes in accordance with the principles of integrity of determination by the parties, and the policy that the decision-making authority in the process rests with the parties.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section XV Page 34 <p>https://investor.wilcon.com.ph/corporate-governance-manual/</p>	
<p>2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.</p>	<p>COMPLIANT</p>	<p>Reference:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section XV Page 34 <p>https://investor.wilcon.com.ph/corporate-governance-manual/</p>	
<p>Recommendation 13.5</p>			

<p>1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.</p>	<p>COMPLIANT</p>	<p>Investor Relations Officer</p> <p>Mary Jean G. Alger Trunkline: +632 634-8387 local 1040 Email: investor_relations@wilcon.com.ph Office Address: 6th floor, No. 90 E. Rodriguez Jr. Avenue, Brgy. Ugong Norte, 1110 Quezon City, Metro Manila, Philippines</p> <p>Reference: ➤ Company website https://investor.wilcon.com.ph/</p>	
<p>2. IRO is present at every shareholder's meeting.</p>	<p>COMPLIANT</p>	<p>The IRO of the Company was present during the annual stockholders' meeting held on June 18, 2018.</p>	
<p>Supplemental Recommendations to Principle 13</p>			
<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>Pursuant to the Revised Manual on Corporate Governance, it shall be the duty of the directors to promote shareholder rights, remove impediments to the exercise of shareholder rights and allow possibilities to seek redress for violation of their rights.</p> <p>Reference: ➤ Revised Manual on Corporate Governance Section XV Page 32 https://investor.wilcon.com.ph/corporate-governance-manual/</p>	

<p>2. Company has at least thirty percent (30%) public float to increase liquidity in the market.</p>	<p>COMPLIANT</p>	<p>The Company's public float is 34%.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ Public Ownership Reports of the Company https://investor.wilcon.com.ph/other-disclosures/ 	
<p>Optional: Principle 13</p>			
<p>1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting</p>	<p>COMPLIANT</p>	<p>The Company has an Investor Relations Officer (IRO) to facilitate constant engagement with its shareholders.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section XV Page 34 https://investor.wilcon.com.ph/corporate-governance-manual/ ➤ Investor Relations Program https://investor.wilcon.com.ph/investor-relations-program/ 	
<p>2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.</p>	<p>NON-COMPLIANT</p>	<p>The Company has no policy to secure electronic voting in absentia at the Annual Stockholders' Meeting.</p>	
<p>Duties to Stakeholders</p>			
<p>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.</p>			
<p>Recommendation 14.1</p>			

<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>The Company's stakeholders are provided in its 2018 Annual Report.</p> <p>➤ 2018 Annual Report of the Company Page 44-45</p> <p>https://investor.wilcon.com.ph/annual-reports/</p>	
<p>Recommendation 14.2</p>			
<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>Pursuant to the Revised Manual on Corporate Governance, it shall be the duty of the Board to establish clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.</p> <p>Reference:</p> <p>➤ Revised Manual on Corporate Governance Section XV Page 34</p> <p>https://investor.wilcon.com.ph/corporate-governance-manual/</p>	
<p>Recommendation 14.3</p>			

<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>Pursuant to the Revised Manual on Corporate Governance, it is the duty of the Board to adopt a transparent framework and process that allows stakeholders to communicate with the Company and to obtain redress for the violation of their rights.</p> <p>The Company requires its directors, officers and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. The purpose of Whistleblower and Anti-Retaliation policy is to encourage and enable employees of the Company to report any action or suspected action taken within the Company that is illegal, fraudulent or in violation of any adopted policy of the Company, to a source within the Company before turning to outside parties for resolution. This policy applies to any matter which is related to the Company's business and does not relate to private acts of an individual not connected to the business of the Company.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section XV Page 34 https://investor.wilcon.com.ph/corporate-governance-manual/ ➤ 2018 Annual Report of the Company Page 43 https://investor.wilcon.com.ph/annual-reports/
<p>Supplement to Recommendation 14.3</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>Pursuant to the Revised Manual on Corporate Governance, it is the duty of the Board to establish clear policies and programs to provide a mechanism on the fair treatment and protection of its stakeholders.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ Revised Manual on Corporate Governance Section XV Page 34 <p>https://investor.wilcon.com.ph/corporate-governance-manual/</p>	
<p>Additional Recommendations to Principle 14</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 does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue.</p> <p>The Code of Business Conduct and Ethics of the Company also provides that the Company ensures that all its transactions comply and in accordance with the relevant laws and regulations.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 42 <p>https://investor.wilcon.com.ph/annual-reports/</p>	

<p>2. Company respects intellectual property rights.</p>	<p>COMPLIANT</p>	<p>The Company respects intellectual property rights. The Company owns all trademarks being used in connection with its home improvement and retail business.</p> <p>➤ Amended WLCON 2018 17-A Annual Report Page 8</p> <p>https://investor.wilcon.com.ph/annual-reports/</p>	
<p>Optional: Principle 14</p>			
<p>1. Company discloses its policies and practices that address customers' welfare</p>	<p>COMPLIANT</p>	<p>Pursuant to the Revised Manual on Corporate Governance, 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 shall have the opportunity to obtain prompt effective redress for the violation of their rights.</p> <p>Reference:</p> <p>➤ Revised Manual on Corporate Governance Section XV Page 34</p> <p>https://investor.wilcon.com.ph/corporate-governance-manual/</p>	
<p>2. Company discloses its policies and practices that address supplier/contractor selection procedures</p>	<p>COMPLIANT</p>	<p>The Company has a supplier selection policy.</p> <p>➤ Company Policies</p> <p>https://investor.wilcon.com.ph/company-policies/</p>	
<p>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.</p>			
<p>Recommendation 15.1</p>			

<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 has established a mechanism for employee participation to create a symbiotic environment, realize the Company's goals and participate in its corporate governance processes. The Company also has policies, programs and procedures that encourage its employees to actively participate in the realization of the Company's goals and in its governance.</p> <p>Reference:</p> <p>➤ 2018 Annual Report of the Company Page 45</p> <p>https://investor.wilcon.com.ph/annual-reports/</p>	
<p>Supplement to Recommendation 15.1</p>			
<p>1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.</p>	<p>COMPLIANT</p>	<p>The Company has a policy that rewards and grants incentives to its employees based on their individual performance.</p>	

<p>2. Company has policies and practices on health, safety and welfare of its employees.</p>	<p>COMPLIANT</p>	<p>The Company commits to provide a safe work place, safe equipment, proper materials, establish and enforce safe methods and practices at all times. The Company and employees follow an occupational safety and health standards and pursue programs to prevent hazards which may result to personal injury, property damage, fire, security losses and even loss of life. It is also committed to protect the environment and provide the necessary safe guards while in the course of its operations.</p> <p>Reference: ➤ 2018 Annual Report of the Company Page 45 https://investor.wilcon.com.ph/annual-reports/</p>	
<p>3. Company has policies and practices on training and development of its employees.</p>	<p>COMPLIANT</p>	<p>The Company conducts various trainings for different levels of staff, including trainings tailored to specific job duty, such as trainings on product knowledge for sales personnel, a Leadership Enhancement and Development (LEAD) Program for middle management and also a Career Management Program (CMP) in order to ensure the continuous supply of competent key officers within the organization.</p> <p>Reference: ➤ 2018 Annual Report of the Company Page 45 https://investor.wilcon.com.ph/annual-reports/</p>	
<p>Recommendation 15.2</p>			

<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>It is the policy of the Company to conduct all of its business in an honest and ethical manner. The Company take a zero-tolerance approach to bribery and corruption and commits to act professionally, fairly and with integrity in all its business dealings and relationships whenever and wherever it operates. It vows to implement and enforce effective systems to counter bribery and corruption.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 43 https://investor.wilcon.com.ph/annual-reports/ ➤ Company Policies https://investor.wilcon.com.ph/company-policies/ 	
<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>The Company disseminates its policies and programs to employees across the organization during orientations, trainings and seminars.</p>	
<p>Supplement to Recommendation 15.2</p>			
<p>1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.</p>	<p>COMPLIANT</p>	<p>The Company vows to implement and enforce effective systems to counter bribery and corruption.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 43 https://investor.wilcon.com.ph/annual-reports/ ➤ Company Policies https://investor.wilcon.com.ph/company-policies/ 	

Recommendation 15.3

<p>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</p>	<p>COMPLIANT</p>	<p>The purpose of Whistleblower and Anti-Retaliation policy is to encourage and enable employees of the Company to report any action or suspected action taken within the Company that is illegal, fraudulent or in violation of any adopted policy of the Company, to a source within the Company before turning to outside parties for resolution. This policy applies to any matter which is related to the Company's business and does not relate to private acts of an individual not connected to the business of the Company.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 43 https://investor.wilcon.com.ph/annual-reports/ ➤ Company Policies https://investor.wilcon.com.ph/company-policies/ 	
<p>2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.</p>	<p>COMPLIANT</p>	<p>The Company has 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.</p> <p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 43 https://investor.wilcon.com.ph/annual-reports/ ➤ Company Policies https://investor.wilcon.com.ph/company-policies/ 	

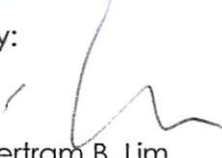
<p>3. Board supervises and ensures the enforcement of the whistleblowing framework.</p>	<p>COMPLIANT</p>	<p>References:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 43 https://investor.wilcon.com.ph/annual-reports/ ➤ Company Policies https://investor.wilcon.com.ph/company-policies/ 	
<p>Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.</p>			
<p>Recommendation 16.1</p>			
<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 Corporate Social Responsibility of the Company is disclosed in its 2018 Annual Report.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 31-34 https://investor.wilcon.com.ph/annual-reports/ 	
<p>Optional: Principle 16</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 upholds its commitment to conserve and protect the environment through participating in different environmental activities like Tanim Para kay Maria Makiling, a project of the city government of Calamba ang Pista Y Ang Kabuegan (Feast of The Forest), an annual mass tree planting festivity in Palawan.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 31 <p>https://investor.wilcon.com.ph/annual-reports/</p>	
<p>2. Company exerts effort to interact positively with the communities in which it operates</p>	<p>COMPLIANT</p>	<p>The Company has partnerships and collaborations with the communities in which it operates.</p> <p>Reference:</p> <ul style="list-style-type: none"> ➤ 2018 Annual Report of the Company Page 31-34 <p>https://investor.wilcon.com.ph/annual-reports/</p>	

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code and Corporation Code, this report is approved and signed on behalf of the Issuer by the undersigned, in QUEZON CITY on MAY 30 2019.

By:



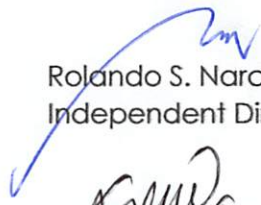
Bertram B. Lim
Chairman of the Board



Ricardo S. Pascua
Independent Director



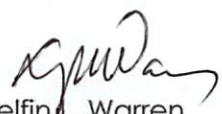
Lorraine Belo-Cincochan
President-CEO



Rolando S. Narciso
Independent Director



Atty. Arthur R. Ponsaran
Corporate Secretary



Delfin L. Warren
Independent Director




Grace A. Tiong
Compliance Officer

SUBSCRIBED AND SWORN to before me this 30 day of MAY 30 2019 in Quezon City affiants exhibiting to me their Passport, as follows:

NAMES	PASSPORT NO.	DATE OF ISSUE	PLACE OF ISSUE
Bertram B. Lim	P3561043A	04 Jul 2017	DFA Manila
Lorraine Belo-Cincochan	EC7174249	21 March 2016	DFA Manila
Arthur R. Ponsaran	P7038917A	04 May 2018	DFA NCR South
Grace A. Tiong	P7999051A	19 July 2018	DFA Manila
Ricardo S. Pascua	P0352687B	22 Jan 2019	DFA Manila
Rolando S. Narciso	P7518036A	11 June 2018	DFA NCR Central
Delfin L. Warren	P9147770A	16 Oct 2018	DFA NCR Central

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