

# COVER SHEET

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S.E.C. Registration Number

D	O	M	I	N	I	O	N		H	O	L	D	I	N	G	S		I	N	C											
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(Company's Full Name)

B	D	O			C	O	R	P	O	R	A	T	E		C	E	N	T	E	R		O	R	T	I	G	A	S			
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(Business address: No. Street City / Town / Province)

KATHERINE U. RESARI
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Contact Person

(632) 8840-7000 LOCAL 45469
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Company Telephone Number

1	2
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Month

3	1
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Day

Fiscal Year

2022 Integrated Annual Corporate Governance Report (I-ACGR)
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FORM TYPE

Any day in April
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Annual Meeting

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Secondary License Type, If Applicable

C	G	F	D
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Dept. Requiring this Doc.

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Amended Articles Number/Section

Total

Amount of Borrowings

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Total No. of Stockholders

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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CASHIER

STAMPS
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## SEC FORM – I-ACGR

### INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **December 31, 2022**
2. SEC Identification Number **97869**. 3. BIR Tax Identification No. **000-486-050-000**
4. Exact name of issuer as specified in its charter **DOMINION HOLDINGS, INC.**
5. **MANILA, PHILIPPINES**  
Province, Country or other jurisdiction of  
incorporation or organization
6.  (SEC Use Only)  
Industry Classification Code:
7. **BDO CORPORATE CENTER ORTIGAS 12 ADB AVE., MANDALUYONG CITY** **1555**  
Address of principal office Postal Code
8. **(632) 8688-1288**  
Issuer's telephone number, including area code
9. **BDO LEASING AND FINANCE, INC.**  
Former name, former address, and former fiscal year, if changed since last report.

# INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

RECOMMENDED CG PRACTICE/POLICY	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>The Board's Governance Responsibilities</b>			
<b>Principle 1:</b> The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
<b>Recommendation 1.1</b>			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	COMPLIANT	<p>The Board is composed of eleven (11) seats with two vacancies as of December 31, 2022. These vacancies were not filled due to unavailability of qualified nominees. Nine directors, however, are still sufficient to constitute a quorum for transaction of business.</p> <p>The present members of the Board have extensive experiences in banking, accounting and finance, law, marketing, strategy formulation, information technology, and risk management. 7 of the Company's Directors are bankers and 2 are lawyers. See Profile of Directors on pages 12-15 of the 2022 Annual Report. (Annex A)</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a></p> <p>For the qualification standards, see Selection, Nomination and Election of Board Members on page 6 of the Revised Corporate Governance Manual. (Annex B)</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p>	
2. Board has an appropriate mix of competence and expertise.	COMPLIANT	<p>The Company's Board has a diverse and balanced composition.</p> <p>See Profile of Directors on pages 12-15 of the 2022 Annual Report.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a></p>	

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3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	COMPLIANT	<p>There were no changes in the personal circumstances of each director that would otherwise disqualify them as Directors. Their individual profiles can be viewed on pages 12-15 of the 2022 Annual Report.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a></p>	
<b>Recommendation 1.2</b>			
1. Board is composed of a majority of non-executive directors.	COMPLIANT	<p>The present composition of the Board exceeds the minimum regulatory standards which require that independent and non-executive directors account for the majority. Independent and non-executive directors of the Company comprise 64% (7/11) of the Board.</p> <p>See Governance Structure on pages 27-28 Item 13 of the 2022 Annual Report.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a></p>	
<b>Recommendation 1.3</b>			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	COMPLIANT	<p>See Page 2, Section 1, on Board Governance Responsibilities (Board Governance Framework – Director Orientation and Continuing Education) of the Revised Corporate Governance Manual.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p>	
2. Company has an orientation program for first time directors.	COMPLIANT	<p>See page 2 Section 1 on Board Governance Responsibilities (Board Governance Framework – Director Orientation and Continuing Education) of the Revised Corporate Governance Manual.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p>	



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3. Company has relevant annual continuing training for all directors.	COMPLIANT	<p>All directors of the Company complied with the annual corporate governance training requirement of four (4) hours for 2022. All directors attended the in-house corporate governance seminar last 20 July 2022. Keynote speaker Prof. Kishore Mahbubani of the Asia Research Institute, National University of Singapore provided valuable insights on geopolitical risk in the face of fierce geopolitical contest among world superpowers and the continuing rise of Asia and the ASEAN. S&amp;P Global, on the other hand, talked about sustainability and the role of boards, with focus on climate change and biodiversity challenges that companies are facing today. Please see page 32 of the 2022 Annual Report.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a></p>	
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### Recommendation 1.4

1. Board has a policy on board diversity.	COMPLIANT	<p>The Company adopts the Board Diversity Policy of the BDO Group which prescribes that a Nomination Committee will consider all aspects of diversity in order to maintain an appropriate balance of skills, background, experience and knowledge of the Board.</p> <p>As part of the Board's commitment to continually promote and observe diversity in its membership, it ensures that the members of the Board have expertise in fields relevant to the Company's strategic plans.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/BOARD%20DIVERSITY%20POLICY.pdf">https://www.bdo.com.ph/sites/default/files/pdf/BOARD%20DIVERSITY%20POLICY.pdf</a></p> <p>See page 2, Section 1, Item 4 of the Revised Corporate Governance Manual.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p> <p>In 2022, the Company's Board has 3 female and 6 male Directors. See Corporate Governance Report on page 27 of the 2022</p>	
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## INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

		Annual Report.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a>	
<b>Optional: Recommendation 1.4</b>			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	COMPLIANT	<p>See Page 2, Section 1, Item 4 Board Governance Framework (Board Diversity) in the Revised Corporate Governance Manual.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p> <p>The present members of the Board have extensive experience in banking, accounting and finance, law, marketing, strategy formulation, information technology, and risk management.</p> <p>In 2022, 3 female directors joined the Company's Board, further enhancing board diversity.</p> <p>See Corporate Governance Report on page 27 of the 2022 Annual Report.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a></p>	
<b>Recommendation 1.5</b>			
1. Board is assisted by a Corporate Secretary.	COMPLIANT	<p>Atty. Joseph Jason M. Natividad is the company's Corporate Secretary. See Page 3, Section 1, Item 5 - Board Governance Framework (Independent Officers) in the Revised Corporate Governance Manual for his duties and functions.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p> <p>See pages 15-16 of the 2022 Annual Report for his qualifications.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a></p>	

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2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT	He is a separate individual from the Compliance Officer.	
3. Corporate Secretary is not a member of the Board of Directors.	COMPLIANT	He is not a member of the Board.	
4. Corporate Secretary attends training/s on corporate governance.	COMPLIANT	See attached Annex C for the Certificate of Attendance of Atty. Joseph Jason M. Natividad. He attended the 2022 Corporate Governance Seminar held on 20 July 2022.	
<b>Optional: Recommendation 1.5</b>			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	COMPLIANT	See Annex D for the sample transmittal to directors on the distribution of board materials at least 5 business days before the scheduled meeting.	
<b>Recommendation 1.6</b>			
1. Board is assisted by a Compliance Officer.	COMPLIANT	<p>The Company has a dedicated independent Compliance Officer functionally reporting to the Board Audit Committee. Ms. Katherine U. Resari serves as Compliance Officer since March 2, 2021. See page 4 of the Revised Corporate Governance Manual for her duties and functions and page 17 of the 2022 Annual Report for her profile and qualifications.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a></p>	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	COMPLIANT	The Compliance Officer has a rank of Vice President, with adequate stature and authority in the corporation.	
3. Compliance Officer is not a member of the board.	COMPLIANT	She is not a member of the Board.	
4. Compliance Officer attends training/s on corporate	COMPLIANT	See attached Certificate of Attendance of Ms. Katherine U. Resari. She attended the 2022 BDO Corporate Governance Seminar last 20	

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governance.

July 2022. (Annex E)

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

### Recommendation 2.1

1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.

COMPLIANT

In discharging their fiduciary duty, directors perform functions such as the review and guidance on corporate strategy, risk management policies and procedures and business plans, and monitoring their implementation; the setting of financial objectives, monitoring implementation and corporate performance; and approving the strategic plans, divestments, and significant related party transactions.

In 2022, the Board of Directors approved the acts contained in pages 29, 42-46, 48-52 in the 2022 Annual Report. The acts of the Board pertaining to these items were properly and timely disclosed to the PSE after the Board meetings.

[https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted\\_0.pdf](https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf)

### Recommendation 2.2

## INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

<p>1. Board oversees the development, review and approval of the company's business objectives and strategy.</p>	<p>COMPLIANT</p>	<p>As provided in the Company's Revised Corporate Governance Manual (see page 9 – Item b (2) – Specific Duties and Responsibilities of the Board of Directors), the Company's Board of Directors approve the Company's strategic objectives and business plans.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p> <p>Meetings of the Board were held in 2022, to specifically discuss strategic objectives and plans relative to its transition to a holding company. See pages 3, 48-52 of the 2022 Annual Report.</p> <p>The Board, being the highest governance body, is responsible for approving and updating the Company's mission, vision, objectives and strategies on a continuing basis and in overseeing management's implementation thereof which takes into account the Company's long-term financial interests, its level of risk tolerance, and ability to manage risks effectively. On 10/26/22, the Company's mission and vision statements were revisited by the Board in view of its conversion to a holding company. The Board actively engages in the affairs of the Company and keep up with material changes in its business and regulatory environment. The Board also approves and oversees the implementation of policies governing major areas of its operations. The Board holds special meetings as may be necessary to discuss strategic matters and critical concerns.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a></p>	
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## INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

2. Board oversees and monitors the implementation of the company's business objectives and strategy.	COMPLIANT	<p>See page 4- Duties, Functions and Responsibilities of the Board of the Revised Corporate Governance Manual</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p> <p>Regular meetings of the Board were held in 2022 for the implementation of the company's objectives and strategy relative to its transition to a holding company. See pages 3, 48-52 of the 2022 Annual Report.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a></p>	
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### Supplement to Recommendation 2.2

1. Board has a clearly defined and updated vision, mission and core values.	COMPLIANT	<p>The Company's Vision, Mission Statement and Core Values, as approved by the Board, is found in its website. These are reviewed every three (3) years.</p> <p><a href="https://www.bdo.com.ph/about-Dominion-Holdings-Inc">https://www.bdo.com.ph/about-Dominion-Holdings-Inc</a></p>	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	COMPLIANT	<p>The strategy execution process encompasses the focus areas of the Company and its strategic initiatives which in 2022 is mainly to convert the company into a holding company which was approved by the SEC on July 18, 2022. See pages 3, 10-11, 51-52 of the 2022 Annual Report.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a></p>	

### Recommendation 2.3

1. Board is headed by a competent and qualified Chairperson.	COMPLIANT	<p>In 2022, the previous Chairperson of the Company's Board of Directors, Ms. Teresita T. Sy, was replaced by Atty. Elmer B. Serrano on 20 April 2022. He is a practicing lawyer and concurrently, a director of 2GO Group, Inc., and Independent Director of Philippine Telegraph and Telephone Corporation. He is also a Corporate Secretary of SM Investments Corporation, SM Prime Holdings, Inc., Prime Leisure Corp., Atlas Consolidated Mining and Development Corporation, as well as subsidiaries of BDO Unibank, Inc., and of DFNN Inc. He is also Corporate Secretary of, or counsel to,</p>	
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		<p>prominent financial industry organizations, such as the Bankers Association of the Philippines and the Philippine Payments Management, Inc. and the PDS Group of Companies. His profile and qualifications are included in pages 12-13 of the 2022 Annual Report.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a></p>	
<b>Recommendation 2.4</b>			
<p>1. Board ensures and adopts an effective succession planning program for directors, key officers and management.</p>	COMPLIANT	<p>The Company, through BDO-Human Resources Group (HRG) has a Succession Planning Policy which covers the following processes:</p> <p>1. Key Role and Talent Identification – involves identification of key leadership and technical individual contributor roles in the Company, determination and definition of required competencies for each identified key role, identification and assessment of readiness of talents, and establishment of talent inventory.</p> <p>Potential successors are either tapped internally or externally and are developed to be ready to be the successors in 2-3 years' time.</p> <p>2. Assessment and Building of Succession Bench Strength – involves coordination between the Business Unit and HRG in strategizing and implementing specific initiatives to continue to develop, attract and hire talents, and increase talent retention to further build and strengthen talent pool.</p> <p>The Company has also adopted a talent management program wherein each of the functional areas would already be documented and dovetailed to a specific career development program that the Company has in place. The program could be an internal program, i.e. leadership programs, or an external structured program.</p> <p>BDO-HRG's amended succession planning policy was approved by the Nominations Committee and Board of Directors on December 4, 2021 and was noted by the Corporate Governance Committee on December 7, 2021, for implementation across the BDO Group.</p>	

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2. Board adopts a policy on the retirement for directors and key officers.	COMPLIANT	See attached link on the Policy on Retirement of Directors approved by the Board of Directors.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/POLICY-ON-RETIREMENT-OF-DIRECTORS.pdf">https://www.bdo.com.ph/sites/default/files/pdf/POLICY-ON-RETIREMENT-OF-DIRECTORS.pdf</a>	
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### Recommendation 2.5

1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	COMPLIANT	The Company's remuneration policy is geared towards attracting, retaining and motivating employees and members of the Board. See page 18 of the 2022 Annual Report.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a>	
2. Board adopts a policy specifying the relationship between remuneration and performance.	COMPLIANT	All qualified employees may be entitled to an annual merit increase in salary, based on their performance for the immediately preceding year. This has a long-term and compounding effect to the fixed pay, which serves as basis for their retirement benefit.	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT	The concerned directors are required to recuse in the deliberation.	

### Optional: Recommendation 2.5

1. Board approves the remuneration of senior executives.	COMPLIANT	The Company follows the Board approved Remuneration policy of its parent, BDO Unibank Inc.	
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.	COMPLIANT	The measurable standard established by the Company is the Key Result Areas Plan for each employee every year, which specifies the focus area of performance and the results expected that are aligned with the strategy of the Company. The performance of these standards is the basis for the yearly appraisal rating of employees.  The Company adopts the policy of its Parent, BDO Unibank Inc., where the remuneration framework for senior management includes fixed pay, bonus and the Employee Stock Option Plan (ESOP) as a long term incentive program. A claw back mechanism is in place, where the benefits and rights accruing from the ESOP can be revoked or forfeited, if the eligible employee is terminated	



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		from service for cause or in the event of imposition of an administrative or disciplinary sanction or penalty against the eligible employee at any time during and after the vesting period prior to exercise. It is linked to corporate and individual performance, based on an annual appraisal of senior management officers.	
<b>Recommendation 2.6</b>			
1. Board has a formal and transparent board nomination and election policy.	COMPLIANT	<p>The policy for the selection, nomination and election of directors are on page 6 of the Revised Corporate Governance Manual published in the DHI website.</p> <p>Please see Section 13, page 30-33 of the Revised Corporate Governance Manual – Promoting Shareholder Rights/Right to Nominate.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p> <p>The Procedures for the nomination and election of directors are also in pages 12-13 of the 2022 Definitive Information Statement (DIS).</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/BDO-Leasing-and-Finance-Inc-Definitive-Information-Statement.pdf">https://www.bdo.com.ph/sites/default/files/pdf/BDO-Leasing-and-Finance-Inc-Definitive-Information-Statement.pdf</a></p>	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT	<p>See Page 4, Section 2 – Establishing Clear Roles and Responsibilities of the Board - Duties, Functions and Responsibilities of the Board.(Item 3- Selection, Nomination and Election of the Board of Directors), and Page 18, Section 3, Item 4 – Establishing Clear Roles and Responsibilities of the Board, Board Committees (Nomination Committee), of the Revised Corporate Governance Manual.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p>	

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3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	COMPLIANT	<p>This is included in the procedure for nomination of directors on pages 12-13 of the 2022 DIS.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/BDO-Leasing-and-Finance-Inc-Definitive-Information-Statement.pdf">https://www.bdo.com.ph/sites/default/files/pdf/BDO-Leasing-and-Finance-Inc-Definitive-Information-Statement.pdf</a></p> <p>See Page 4, Section 2, Item 3 – Establishing Clear Roles and Responsibilities of the Board - Duties, Functions and Responsibilities of the Board (Selection, Nomination and the Board of Directors).</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p>	
4. Board nomination and election policy includes how the board shortlists candidates.	COMPLIANT	<p>The short listing of candidates by the Nominations Committee is done by pre-screening and checking the qualifications of nominees from the pool of candidates versus the standard. See Page 6, Section 2, Item – Duties, Functions and Responsibilities of the Board (Selection, Nomination and the Board of Directors in the Revised Corporate Governance Manual.)</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></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.	COMPLIANT	<p>The Nominations Committee leads in the process of identifying and evaluating nominees for directors. It evaluates the balance of skills, knowledge and experience of the existing Board and the requirements of the Company. The result of the evaluation determines the role and key attributes than an incoming director should have. See Page 6, Section 2, Item – Duties, Functions and Responsibilities of the Board (Selection, Nomination and the Board of Directors), and Page 18, Section 3, Item – Board Committees (Nomination Committee), in the Revised Corporate Governance Manual.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p>	

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6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT	<p>See Page 6, Selection, Nomination and Election of Board Members in the Revised Corporate Governance Manual. This is handled by the Nominations Committee.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p>	
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### Optional: Recommendation to 2.6

1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.	COMPLIANT	<p>See page 6, Selection, Nomination and Election of Board Members in the Revised Corporate Governance Manual.</p> <p>The Nominations Committee receives recommendations for potential candidates and uses, to the extent possible, external search firms or external databases, <b>such as the member/fellow listing of a local non-profit organization dedicated in professionalizing practice of corporate directorship</b>, in selecting the pool of candidates for the new members of the Board.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p>	
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### Recommendation 2.7

1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	<p>The Board has established policies and procedures on related party transactions (RPTs) in accordance with BSP and SEC regulations. These include definition of related parties, coverage of RPT policy, guidelines in ensuring arms-length terms, identification and prevention of management potential or actual conflicts of interest, adoption of materiality thresholds, internal limits for individual and aggregate exposures, whistle-blowing mechanisms, and restitution of losses and other remedies for abusive RPTs. See the Company's RPT Policy.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/corporate_governance/Related-Party-Transaction%28RPT%29-Policy-as-of-October-2019.pdf">https://www.bdo.com.ph/sites/default/files/pdf/corporate_governance/Related-Party-Transaction%28RPT%29-Policy-as-of-October-2019.pdf</a></p>	
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## INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT	<p>Material related party transactions (RPT) are vetted and approved by the RPT Committee, composed of two independent directors including the Chairman and non-executive director. RPT whose value meets or exceeds 10% of the Company's total assets, require review of an external independent party to evaluate the fairness of its terms and conditions and approval of 2/3 vote of the Board, with at least a majority of the independent directors voting affirmatively.</p> <p>See attached link to the Related Party Transactions Policy:</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/corporate_governance/Related-Party-Transaction%28RPT%29-Policy-as-of-October-2019.pdf">https://www.bdo.com.ph/sites/default/files/pdf/corporate_governance/Related-Party-Transaction%28RPT%29-Policy-as-of-October-2019.pdf</a></p>	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	COMPLIANT	<p>It covers DOSRI, Subsidiaries, Affiliates and Other Related Parties in compliance with BSP and SEC regulations. See link below for the Related Party Transactions Policy</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/corporate_governance/Related-Party-Transaction%28RPT%29-Policy-as-of-October-2019.pdf">https://www.bdo.com.ph/sites/default/files/pdf/corporate_governance/Related-Party-Transaction%28RPT%29-Policy-as-of-October-2019.pdf</a></p>	
<b>Supplement to Recommendations 2.7</b>			
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	COMPLIANT	<p>The revised RPT policy provides that transactions that amount to or exceed 10% of the Company's total assets (singly or aggregated within a 12 month period) are required to be reported to the Securities and Exchange Commission. This type of RPT must be approved by at least 2/3 vote of the Board of Directors, with at least a majority of the independent directors voting to approve the proposed transaction. In case a majority of the independent directors' vote is not secured, the material RPT may be ratified by the vote of the stockholders representing at least 2/3 of the outstanding capital stock.</p> <p>The Company also defined a materiality threshold of PHP10 million for credit transactions and PHP1 million for non-credit transactions. This type of material RPTs need to be endorsed by the Related Party Transactions Committee before it can be</p>	

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should be considered for purposes of applying the thresholds for disclosure and approval.		approved by the Board of Directors.	
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.	COMPLIANT	<p>The Company strives to achieve the recommendation through its independent directors who are tasked to make an independent assessment of the Company's RPTs to ensure that they are done at arm's length and not favorable to the Company's related parties. This is demonstrated through the following:</p> <p>a. All material RPTs, following the SEC -prescribed materiality threshold of ten percent (10%) of the Bank's total assets based on the latest audited financial statement, shall be approved by at least 2/3 vote of the Board of Directors, with at least a majority of the independent directors voting to approve the proposed transaction. In case the latter is not secured, the material RPT may be ratified by the vote of the stockholders representing at least 2/3 of the outstanding capital stock. See page 42 of the Company's Related Party Transactions Policy. Link:  <a href="#">Related-Party-Transaction(RPT)-Policy-as-of-October-2019.pdf (bdo.com.ph)</a></p> <p>b. All material RPTs go through vetting of the Related Party Transactions Committee (RPTC), majority of which is composed of independent directors; and endorsed to the Board for approval.</p> <p>In approving RPTs, independent directors of the Board are essentially acting on behalf of minority and/or non-related party shareholders as the former do not represent the majority and/or related party shareholders.</p> <p>Further, during the Annual Stockholders' Meeting, material RPTs are presented together with the other acts of the Board for ratification by stockholders whereby effectively, the majority of non-related party shareholders are also included in the voting. Their corresponding votes will be counted and reflected in the voting tabulation. See page 3 of the minutes of the 2022</p>	

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		<p>Annual Stockholders' minutes where all transactions, including significant related party transactions, were ratified by the shareholders.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/BDOLF-2022-ASM-Minutes.pdf">https://www.bdo.com.ph/sites/default/files/pdf/BDOLF-2022-ASM-Minutes.pdf</a></p> <p>See pages 78 and 101-105 of the 2022 Definitive Information Statement.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/BDO-Leasing-and-Finance-Inc-Definitive-Information-Statement.pdf">https://www.bdo.com.ph/sites/default/files/pdf/BDO-Leasing-and-Finance-Inc-Definitive-Information-Statement.pdf</a></p>	
<b>Recommendation 2.8</b>			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	<p>See page 10, Item c. (Specific Duties and Responsibilities of the Board of Directors) of the Revised Corporate Governance Manual.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></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).	COMPLIANT	<p>See pages 10-12 of the Revised Corporate Governance Manual.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p> <p>A yearly self-assessment is conducted focusing on the performance of the Board, Directors, Committees and senior management, through the Corporate Governance Committee, using an approved set of questionnaires.</p> <p>See page 29 of the 2022 Annual Report.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a></p> <p>For the independent control functions, this is being done through</p>	

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the yearly Appraisal Report, which is individually reviewed by the respective board-level committees they report to.

### Recommendation 2.9

1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT	The Key Result Areas (KRA) Plan is the effective performance management framework adopted to ensure that individual performance is tracked versus standards set by Management and Board.	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT	All employees are similarly assessed using the pre-defined KRA, which considers the employees' functions.	

### Recommendation 2.10

1. Board oversees that an appropriate internal control system is in place.	COMPLIANT	<p>See Internal Control and Risk Management on page 8 of the Revised Corporate Governance Manual.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p> <p>The Board Audit Committee (BAC) also ensures that a review of the effectiveness of the Company's internal control, including financial, operational and compliance controls and risk management is conducted annually. The result of the BAC's annual assessment is validated by the Company's Corporate Governance Committee.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/1-DHI-BAC-Self-Assessment-Results-2022%20.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-DHI-BAC-Self-Assessment-Results-2022%20.pdf</a></p>	
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2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	COMPLIANT	<p>The Company has a Conflict of Interest Policy which enjoins the directors and employees to act in a manner that will serve the best interest of the Company and its shareholders. This requires that all business decisions and actions must be aligned to the principles and values of BDO Group, and should not be driven by personal motivations or influenced by personal relationships which may interfere in the exercise of objective and independent judgment. Any financial and personal interest or benefit in any transaction involving the Company must be disclosed. When presented with a situation involving a potential conflict of interest, it is necessary to disclose the possible conflict in writing to the Supervising Officer, in case of officer or employee, or to the Board of Directors, in case of Director.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/BDOLF%20CODE%20OF%20CONDUCT%20AND%20BUSINESS%20ETHICS.pdf">https://www.bdo.com.ph/sites/default/files/BDOLF%20CODE%20OF%20CONDUCT%20AND%20BUSINESS%20ETHICS.pdf</a></p> <p><a href="https://www.bdo.com.ph/sites/default/files/Conflict%20of%20Interest%20Disclosure%20Form.pdf">https://www.bdo.com.ph/sites/default/files/Conflict%20of%20Interest%20Disclosure%20Form.pdf</a></p>	
3. Board approves the Internal Audit Charter.	COMPLIANT	<p>See attached Board-approved Internal Audit Charter.(Annex F)</p> <p>The 2022 Internal Audit Policy Statement was approved by the Board Audit Committee and Board on May 11, 2022.</p>	
<b>Recommendation 2.11</b>			



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<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>See Internal Control and Risk Management on page 8 of the Revised Corporate Governance Manual.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p> <p>The Risk Management Committee of the Board, as part of its duties and responsibilities, approves the enterprise risk management framework and written risk management plan developed by management, defining the policies, limits, and strategies for managing and controlling major risks of BDO. See Section III on its Terms of Reference.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/BDOLF%20Terms%20of%20Reference.pdf">https://www.bdo.com.ph/sites/default/files/pdf/BDOLF%20Terms%20of%20Reference.pdf</a></p> <p>The Company also has in place appropriate tools or methods to identify material credit, market, liquidity and operational risks, which form part of regular reporting to RMC. Additionally, stress tests for identified material risks are performed regularly to determine their impact on capital. For credit risk, in particular, Risk Management Group performs a Rapid Portfolio Review in cases of adverse news on particular segment of borrowers or exposures.</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>See Enterprise Risk Management Framework designed to enhance risk management framework through a holistic and integrated framework so that all material risks faced by the Company are identified, measured, evaluated, mitigated, and monitored and appropriately managed. See page 28 of the Revised Corporate Governance Manual.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p>	
<p><b>Recommendation 2.12</b></p>			

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1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	COMPLIANT	See page 8 of the Revised Corporate Governance Manual.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a>	
2. Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT	Yes. The Company's Corporate Governance Manual serves as the Board Charter. It clearly states the roles, responsibilities, structure and powers of the Board of Directors, subject to the provisions of the Corporation Code of the Philippines, Articles of Incorporation and By-Laws, other applicable laws or regulations, corporate governance best practices and policies of the Board.  See pages 8-15 of the Revised Corporate Governance Manual.	
3. Board Charter is publicly available and posted on the company's website.	COMPLIANT	Yes. The Company's Corporate Governance Manual serves as the Board Charter. It is publicly available through the corporate website.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a>	
<b>Additional Recommendation to Principle 2</b>			
1. Board has a clear insider trading policy.	COMPLIANT	See Personal Trading Policy published in the corporate website at:  <a href="https://www.bdo.com.ph/sites/default/files/pdf/Personal-Trading-Policy-2022.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Personal-Trading-Policy-2022.pdf</a>  The policy includes a trading black-out period imposed on directors and employees of the Bank when price-sensitive information is disclosed to the public.  See page 34 of the Revised Corporate Governance Manual  <a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a>	
<b>Optional: Principle 2</b>			
1. Company has a policy on granting loans to directors, either forbidding the practice	COMPLIANT	This is covered in the Related Party Transactions Policy published in the corporate website at:	

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or ensuring that the transaction is conducted at arm's length basis and at market rates.		<a href="https://www.bdo.com.ph/sites/default/files/pdf/corporate_governance/Related-Party-Transaction%28RPT%29-Policy-as-of-October-2019.pdf">https://www.bdo.com.ph/sites/default/files/pdf/corporate_governance/Related-Party-Transaction%28RPT%29-Policy-as-of-October-2019.pdf</a>	
2. Company discloses the types of decision requiring board of directors' approval.	COMPLIANT	<p>The types of decision requiring board approval:</p> <ul style="list-style-type: none"> <li>• Corporate strategy, risk management policies and procedures, governance policies and practices, annual budgets and business plans, annual and interim financial statements, key operational initiatives, selection of CEO, the hiring, resignations and promotions of senior officers, succession planning, remuneration and nomination of directors.</li> <li>• Issuance of capital stocks, distribution of dividends, strategic plans, major capital expenditures, amendments of Articles of Incorporation and By-Laws, acquisitions, equity investments, fixed assets, mergers, joint ventures, divestments, and significant related party transactions</li> </ul> <p>See page 4-19 Duties, Functions and Responsibilities of the Board in the Revised Corporate Governance Manual</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></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.

### Recommendation 3.1

1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	COMPLIANT	<p>The Board has established 6 committees to assist in the performance of its roles and functions. See Establishing Board Committees page 15-18 of the Revised Corporate Governance Manual.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p>	
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### Recommendation 3.2

1. Board establishes an Audit Committee to enhance its	COMPLIANT	See pages 16-17 and 27 of the Revised Corporate Governance Manual.	
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oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.		See External Audit on page 17 and Strengthening the External Auditor's Independence on page 27 of the Revised Corporate Governance Manual.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a>	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	COMPLIANT	The Audit Committee is composed of 3 members, 2 of whom are Independent Directors including the Chairman. See page 45 of the 2022 Annual Report on the Audit Committee composition.  Profiles and qualifications of the members are in pages 15-16 of the 2022 Annual Report  <a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a>	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	COMPLIANT	Yes. Audit Committee members have relevant background, skills and experience as enumerated above. Profiles and qualifications of the members are in pages 14-15 of the 2022 Annual Report  <a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a>	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	COMPLIANT	The Chairman of the Audit Committee is Mr. Ismael G. Estela, Independent Director. He is not a Chairman of any other Board Committees. See page 28 of the 2022 Annual Report and pages 16-17 of the Revised Corporate Governance Manual.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a>  <a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a>	
<b>Supplement to Recommendation 3.2</b>			
1. Audit Committee approves all non-audit services conducted by the external auditor.	COMPLIANT	All services provided by the External Auditor are required to be approved by the Audit Committee. See External Audit on pages 17 and Strengthening the External Auditor's Independence on page 27 of the Revised Corporate Governance Manual.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a>	

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		Inc-Corporate-Governance-Manual.pdf	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	NON-COMPLIANT		In light of the cessation of the Company's leasing and financing operations, no meetings/dialogues with the external audit team was held for the year while the Company had no operations and transitioning to a holding company.

### Optional: Recommendation 3.2

1. Audit Committee meet at least four times during the year.	COMPLIANT	In 2022, Audit Committee held 5 meetings. See attached Certification of the Office of the Corporate Secretary for Board Committee Attendance. (Annex G)	
2. Audit Committee approves the appointment and removal of the internal auditor.	COMPLIANT	This is part of the Terms of Reference of the Audit Committee. See Internal Audit Division on page 16 of the Revised Corporate Governance Manual.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a>	

### Recommendation 3.3

1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	COMPLIANT	See page 17 of the Revised Corporate Governance Manual.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a>  The function of identifying the quality of directors is vested on the Nominations Committee, which is a separate and distinct committee.	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	NON-COMPLIANT		While the Corporate Governance Committee is composed of 3 members, only 2 are Independent Directors including the Chairman. This is due to the resignation of one Independent Director on July 13, 2022, to be replaced by a non-executive Director. 2 Independent

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			Director positions are still unfilled due to a lack of qualified nominees. See pages 27-28 of the 2022 Annual Report on membership composition.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a>
3. Chairman of the Corporate Governance Committee is an independent director.	COMPLIANT	Yes. The Chairman of the Corporate Governance Committee is Atty. Luis Ma. G. Uranza, Independent Director. See pages 45-46 of the 2022 Annual Report. <a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a>	
<b>Optional: Recommendation 3.3.</b>			
1. Corporate Governance Committee meets at least twice during the year.	COMPLIANT	In 2022, the Corporate Governance Committee held 5 meetings. See page 46 of the 2022 Annual Report.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a>	
<b>Recommendation 3.4</b>			
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	See Risk Management Committee on page 18 of the Revised Corporate Governance Manual.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a>	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	NON-COMPLIANT		The Risk Management Committee is composed of 3 members, majority of whom are Independent Directors. However, the Chairman is a non-executive Director as she replaced the Independent Director who resigned in July 2022. The 2 Independent Directors

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			position is still unfilled due to unavailability of qualified nominees. See page 28 of the 2022 Annual Report for the membership composition, and pages 14-15 for the members' qualifications.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a>
3. The Chairman of the BROCC is not the Chairman of the Board or of any other committee.	COMPLIANT	The Chairman of the Risk Management Committee, Ms. Rebecca S. Torres, is not the Chairman of the Board nor Chairman of any other board-level committee. See page 28 of the 2022 Annual Report.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a>	
4. At least one member of the BROCC has relevant thorough knowledge and experience on risk and risk management.	COMPLIANT	See page 28 of the 2022 Annual Report for the members of the Risk Management Committee. Two members are seasoned bankers with extensive banking experience, while the third member is a seasoned lawyer for private companies and government agencies.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a>	
<b>Recommendation 3.5</b>			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	COMPLIANT	See Related Party Transactions Committee on page 18 of the Revised Corporate Governance Manual.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a>	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	COMPLIANT	The Related Party Transactions Committee is composed of 3 members all of whom are Non-Executive Directors, majority of whom are Independent Directors including the Chairman. See page 28 of the 2022 Annual Report on the membership composition.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a>	

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### Recommendation 3.6

1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	COMPLIANT	Each committee has its own Terms of Reference that clearly define the composition, duties and responsibilities, which are approved by the Board. These are published in the Company's website at:  <a href="https://www.bdo.com.ph/sites/default/files/pdf/BDOLF%20Terms%20of%20Reference.pdf">https://www.bdo.com.ph/sites/default/files/pdf/BDOLF%20Terms%20of%20Reference.pdf</a>	
2. Committee Charters provide standards for evaluating the performance of the Committees.	COMPLIANT	Yes. This is included in the Terms of Reference of each committee.	
3. Committee Charters were fully disclosed on the company's website.	COMPLIANT	Yes. These are published in the Company's website at:  <a href="https://www.bdo.com.ph/sites/default/files/pdf/BDOLF%20Terms%20of%20Reference.pdf">https://www.bdo.com.ph/sites/default/files/pdf/BDOLF%20Terms%20of%20Reference.pdf</a>	

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

### Recommendation 4.1

1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	COMPLIANT	See disclosure on the attendance and participation of directors to Board meetings in the Company's website:  <a href="https://www.bdo.com.ph/sites/default/files/pdf/3-Dominion-Holdings-Inc-Certification-on-Board-Attendance%28redacted%29.pdf">https://www.bdo.com.ph/sites/default/files/pdf/3-Dominion-Holdings-Inc-Certification-on-Board-Attendance%28redacted%29.pdf</a>  The attendance of the directors in the Board-level Committee meetings may be found in Annex G, while attendance to shareholders' meetings can be seen in the Minutes of Stockholders' Meeting.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/BDOLF-2022-ASM-Minutes.pdf">https://www.bdo.com.ph/sites/default/files/pdf/BDOLF-2022-ASM-Minutes.pdf</a>  DHI follows procedures set by SEC and BSP on	
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## INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

		<p>tele/videoconferencing of board and/or committee meetings.</p> <p>The Terms of Reference of DHI Committees can also be viewed through the following link:  <a href="https://www.bdo.com.ph/sites/default/files/pdf/BDOLF%20Terms%20of%20Reference.pdf">https://www.bdo.com.ph/sites/default/files/pdf/BDOLF%20Terms%20of%20Reference.pdf</a></p>	
2. The directors review meeting materials for all Board and Committee meetings.	COMPLIANT	<p>Materials for Board meetings are required to be sent out to the directors at least five (5) days ahead of the meeting to enable the directors to prepare diligently for the meetings to evaluate and add value to the items presented, actively participate and contribute meaningfully to the discussions of the Board.</p> <p>See Board and Committee meetings on pages 19-20 of the Revised Corporate Governance Manual.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p>	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	COMPLIANT	<p>The directors are expected to prepare diligently for the meetings to evaluate and add value to the items presented, actively participate and contribute meaningfully to the discussions of the Board. See Board and Committee meetings on pages 19-20 of the Revised Corporate Governance Manual.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p>	
<b>Recommendation 4.2</b>			
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.	COMPLIANT	<p>See Multiple Board Seats on page 20 of the Revised Corporate Governance Manual.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p> <p>See pages 12 to 15 of the 2022 Annual Report for the list of directorships of the DHI Board. No director serves in more than five (5) PLCs.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a></p>	

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1. The directors notify the company's board before accepting a directorship in another company.	COMPLIANT	<p>This is part of the Multiple Board Seats Policy on page 20 of the Revised Corporate Governance Manual, which was approved by the Board.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p>		
<b>Optional: Principle 4</b>				
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	COMPLIANT	<p>Executive Directors Mr. Manuel Z. Locsin Jr./President and Mr. Luis S. Reyes Jr./Treasurer do not serve in the boards of any other listed companies outside the group.</p> <p>See their profiles in page 13 of the 2022 Annual Report</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a></p>		
2. Company schedules board of directors' meetings before the start of the financial year.	COMPLIANT	<p>Schedule of regular board meetings for the coming year is set in advance before the start of the new calendar year and published in the Board Calendar of Activities for the information and guidance of all directors and advisers. See Board Meetings-Frequency on page 19 of the Revised Corporate Governance Manual.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p>		
3. Board of directors meets at least six times during the year.	COMPLIANT	<p>In 2022, the Board met 9 times. See attached disclosure on the attendance and participation of directors to Board meetings.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/3-Dominion-Holdings-Inc-Certification-on-Board-Attendance%28redacted%29.pdf">https://www.bdo.com.ph/sites/default/files/pdf/3-Dominion-Holdings-Inc-Certification-on-Board-Attendance%28redacted%29.pdf</a></p>		
4. Company requires as minimum quorum of at least 2/3 for board decisions.	COMPLIANT	<p>The Company's Board meetings have always been attended by more than 2/3 of the members deciding on any matter for approval by the Board. See attached meeting attendance of directors, which are 100% in all meetings. (Annex G)</p> <p>For 2022, the Board has unanimously voted on all board decisions, hence, the requirement of at least 2/3 minimum quorum has been consistently complied with.</p>		

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

### Recommendation 5.1

1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	NON-COMPLIANT		<p>In 2022, the company has allocated 4 board seats for Independent Directors which constitute 36% of the full Board (11 seats). However, with the resignation of 1 Independent Director in July 2022, and another ID vacancy, only 2 IDs are in place by year-end or 18% of the board. Due to lack of qualified ID nominees, the vacancies were not filled.</p> <p>See Independent Directors on page 20 of the Revised Corporate Governance Manual and Composition on page 28 of the 2022 Annual Report.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a></p>
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### Recommendation 5.2

1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	COMPLIANT	<p>The Independent Directors possess all qualifications and none of the disqualifications to hold the positions.</p> <p>Please refer to the Profiles of Independent Directors on page 15 of the 2022 Annual Report</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a></p>	
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### Supplement to Recommendation 5.2

1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	COMPLIANT	The Company has no voting trust agreements and restrictions in the By-Laws that constrain the directors' ability to vote independently.
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### Recommendation 5.3

1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	COMPLIANT	See Tenure/Term Limits of Independent Directors on page 21 of the Revised Corporate Governance Manual  <a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a>  Both Independent Directors of DHI were appointed only last 20 April 2022. Please refer to pages 15 and 28 of the 2022 Annual Report.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a>
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	COMPLIANT	See Tenure/Term Limits of Independent Directors on page 21 of the Revised Corporate Governance Manual  <a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a>  Both Independent Directors of DHI were appointed only last 20 April 2022. Please refer to page 28 of the 2022 Annual Report.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a>
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	COMPLIANT	Both Independent Directors of DHI were appointed only last 20 April 2022. Please refer to page 28 of the 2022 Annual Report.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a>

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during the annual  
shareholders' meeting.

### Recommendation 5.4

1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	COMPLIANT	The Chairperson of the Board is Atty Elmer B. Serrano while the President is Mr. Manuel Z. Locsin Jr.	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	COMPLIANT	<p>Their roles are separate and distinct from each other to achieve a balance of authority, clear accountability, and better capacity for independent decision making. See Chairperson of the Board and Chief Executive Officer/President on pages 22-23 of the Revised Corporate Governance Manual.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p> <p>The Chairman and President have no family relationship.</p>	

### Recommendation 5.5

1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	COMPLIANT	<p>The Chairman of the Board is a Non-Executive Director as prescribed by the BSP. The Company has a Lead Independent Director (Atty Luis Ma. G. Uianza) who was appointed by the Board from amongst the Independent Directors. His functions are on page 23 of the Revised Corporate Governance Manual.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p>	
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1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	COMPLIANT	<p>The Related Party Transactions Policy of the Company requires any member of the reviewing committee or the Board who has a potential interest in any proposed related party transaction shall abstain from the discussion or deliberation.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/corporate_governance/Related-Party-Transaction%28RPT%29-Policy-as-of-October-2019.pdf">https://www.bdo.com.ph/sites/default/files/pdf/corporate_governance/Related-Party-Transaction%28RPT%29-Policy-as-of-October-2019.pdf</a></p>	
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### Recommendation 5.7

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1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	NON-COMPLIANT		In light of the cessation of the Company's leasing and financial operations, no executive sessions with the external auditor and Heads of Control Functions (i.e. Internal audit, compliance and Risk management functions) and the Non-Executive Directors were held in 2022 while the Company is in transition to a holding company.
2. The meetings are chaired by the lead independent director.	NON-COMPLIANT		

### Optional: Principle 5

1. None of the directors is a former CEO of the company in the past 2 years.	COMPLIANT	None of the directors is a former CEO of the company in the past 2 years. The Company's President for the last 2 years until now is Mr. Manuel Z. Locsin Jr.	
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**Principle 6:** The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.

### Recommendation 6.1

1. Board conducts an annual self-assessment of its performance as a whole.	COMPLIANT	A yearly self-assessment is conducted focusing on the performance of the Board, Directors, Committees and senior management, through the Corporate Governance Committee, using an approved set of questionnaires. The Company conducted the 2021 assessment of the Board's performance from June-August 2022. See pages 29 and 46 of the 2022 Annual Report.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a>	
2. The Chairman conducts a self-assessment of his performance.	COMPLIANT	Yes, this is part of the yearly Board Self-Assessment.	
3. The individual members conduct a self-assessment of their performance.	COMPLIANT	Yes, this is part of the yearly Board Self-Assessment.	

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4. Each committee conducts a self-assessment of its performance.	COMPLIANT	Yes, this is part of the yearly Board Self-Assessment.	
5. Every three years, the assessments are supported by an external facilitator.	NON-COMPLIANT		<p>In 2019, the Company appointed the Institute of Corporate Directors (ICD) as external facilitator for the Board Effectiveness Evaluation. ICD facilitated a peer and self-evaluation process on the Board, Board Committees, and individual directors. The results thereof were supplemented by interviews with the individual directors. Feedback from Board Advisors and nominated members of DHI senior management was also obtained through interviews. The 2019 ICD Board Effectiveness Evaluation was released in 2020.</p> <p>The company did not engage an external facilitator in 2022 while still in transition to a holding company.</p>

### Recommendation 6.2

1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	COMPLIANT	<p>The Board recognizes the importance and benefits of conducting an annual self-assessment to determine its effectiveness. The Board, through the Corporate Governance Committee, undertakes the evaluation of its performance as a collective body, its Committees including the performance of the Chairperson to determine whether they are functioning effectively, pinpoint areas for improvement and assess whether it possesses the right mix of backgrounds and competencies. The Corporate Governance Committee reports the results of the self-assessment to the Board.</p> <p>A Director Peer Evaluation is also conducted annually. Each director is requested to rate his/her colleagues on the Board using a prescribed questionnaire.</p>	
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2. The system allows for a feedback mechanism from the shareholders.	COMPLIANT	The result of the yearly self-assessment is published in the Company's website hence, shareholders may comment on the information published.	
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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

1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	COMPLIANT	The Revised Code of Business Conduct and Ethics is published in the corporate website at :  <a href="https://www.bdo.com.ph/sites/default/files/BDOLF%20CODE%20OF%20CONDUCT%20AND%20BUSINESS%20ETHICS.pdf">https://www.bdo.com.ph/sites/default/files/BDOLF%20CODE%20OF%20CONDUCT%20AND%20BUSINESS%20ETHICS.pdf</a>	
2. The Code is properly disseminated to the Board, senior management and employees.	COMPLIANT	BDO-Human Resources Group and the Office of the Corporate Secretary are responsible for overseeing the implementation of this Code across the BDO Unibank Group. All Directors and employees were required to sign the Acknowledgment Receipt Form to document that they have read and understood the provisions of the Code. See page 9 of the Code – Responsibility for Implementation.  <a href="https://www.bdo.com.ph/sites/default/files/BDOLF%20CODE%20OF%20CONDUCT%20AND%20BUSINESS%20ETHICS.pdf">https://www.bdo.com.ph/sites/default/files/BDOLF%20CODE%20OF%20CONDUCT%20AND%20BUSINESS%20ETHICS.pdf</a>	
3. The Code is disclosed and made available to the public through the company website.	COMPLIANT	The Revised Code of Business Conduct and Ethics is published in the corporate website at : <a href="https://www.bdo.com.ph/sites/default/files/BDOLF%20CODE%20OF%20CONDUCT%20AND%20BUSINESS%20ETHICS.pdf">https://www.bdo.com.ph/sites/default/files/BDOLF%20CODE%20OF%20CONDUCT%20AND%20BUSINESS%20ETHICS.pdf</a>	

### Supplement to Recommendation 7.1

1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering,	COMPLIANT	See page 4 item 6 Acceptance/Solicitation of Gifts, Bribery and Corruption under Observance of Standards of Conduct for Individuals of the Revised Code of Business Conduct and Ethics. Likewise, the institution commits to comply with anti-corruption and bribery laws in the jurisdiction it operates.	
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paying and receiving bribes.		<a href="https://www.bdo.com.ph/sites/default/files/BDOLF%20CODE%20OF%20CONDUCT%20AND%20BUSINESS%20ETHICS.pdf">https://www.bdo.com.ph/sites/default/files/BDOLF%20CODE%20OF%20CONDUCT%20AND%20BUSINESS%20ETHICS.pdf</a>	
<b>Recommendation 7.2</b>			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT	<p>All directors and employees are required to acknowledge that they have read and understood the Code stipulating their compliance with the standards and policies set forth therein.</p> <p>The Code applies at all times to all members of the Board of Directors and BDO Unibank Group employees in their dealings with clients, business partners and service providers. See page 1 of the Code – Applicability of the Code and Commitment to the Code.</p>	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	COMPLIANT	See page 9 of the Code – Responsibility for Implementation, and Approval and Disclosure	
<b>Disclosure and Transparency</b>			
<b>Principle 8:</b> The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
<b>Recommendation 8.1</b>			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that give a fair and complete picture of a company's financial condition, results and business operations.	COMPLIANT	<p>See page 25 Section 8. Enhancing Company Disclosure Policies and Procedures of the Revised Corporate Governance Manual.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p>	
<b>Supplement to Recommendations 8.1</b>			
1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements,	NON-COMPLIANT		The 2021 Audited Financial Statements (AFS) was disclosed to the PSE on 07 March 2022, 66 days from Dec. 31, 2021, which is

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and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.			<p>compliant with the 90-day recommended period.</p> <p><a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=0379343e8eaa184b3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=0379343e8eaa184b3470cea4b051ca8f</a></p> <p>The interim reports for the 1st and 2<sup>nd</sup> quarter of 2022 were approved for disclosure by the PSE on 16 May 2022 and 15 August 2022 (submitted to PSE initially on 5 August 2022) respectively, both 46 days after the end of each quarter.</p> <p><a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=a493c20c95aa6d883470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=a493c20c95aa6d883470cea4b051ca8f</a></p> <p><a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=66021434955d66273470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=66021434955d66273470cea4b051ca8f</a></p> <p>The interim report for the 3<sup>rd</sup> quarter of 2022 was timely approved for PSE disclosure on 3 November 2022, 34 days after the end of the quarter.</p> <p><a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=f324ac4a20a6290f3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=f324ac4a20a6290f3470cea4b051ca8f</a></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	COMPLIANT	1. The principal risk to minority shareholders could arise from Related Party Transactions. However, because all RPTs are done on an arms' length basis and are compliant with BSP regulations, this risk is properly managed and controlled. For material RPTs, the Related Party Transactions Committee reviews the transaction to ensure that there is no preferential treatment and that it is done at	

## INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.		<p>arm's length before these are endorsed to the Board for approval. See page 4 of 2022 Annual Report.</p> <p>2. See pages 6-7 of the 2022 Annual Report showing the company's major stockholders</p> <p>3. See Item 12 pages 22 to 27 of the 2022 Annual Report for disclosures on Certain Relationships and Related Transactions.</p> <p>4. No imbalances exist.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a></p>	
<b>Recommendation 8.2</b>			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	COMPLIANT	<p>See page 1 Applicability of the Personal Trading Policy to all directors, officers and employees of BDO Unibank, Inc. and its subsidiaries which is published in the corporate website at: <a href="https://www.bdo.com.ph/sites/default/files/pdf/Personal-Trading-Policy-2022.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Personal-Trading-Policy-2022.pdf</a></p> <p>The policy includes a trading black-out period imposed on directors and employees of the Company when price-sensitive information is disclosed to the public.</p> <p>As the trading of shares is still suspended by the PSE no trading black-out notices were issued in 2022.</p>	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	COMPLIANT	<p>Actual dealings of shares are disclosed in PSE Edge within 3 days after transaction date. The disclosures are published in the corporate website at :</p> <p><a href="https://www.bdo.com.ph/dominion/company-disclosures">https://www.bdo.com.ph/dominion/company-disclosures</a></p> <p>As the trading of shares is still suspended by the PSE, no such disclosures were issued in 2022.</p>	
<b>Supplement to Recommendation 8.2</b>			
1. Company discloses the	COMPLIANT	See quarterly disclosures to PSE of DHI's Public Ownership Report	

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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).		and List of DHI's Top 100 stockholders for 2022, which can also be viewed through the following links:  <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=31">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=31</a>  <a href="https://www.bdo.com.ph/about-Dominion-Holdings-Inc">https://www.bdo.com.ph/about-Dominion-Holdings-Inc</a> <a href="https://www.bdo.com.ph/leasing/investors-relations">https://www.bdo.com.ph/leasing/investors-relations</a>  BDO's Conglomerate Map can be viewed at the corporate website through the following link: <a href="https://www.bdo.com.ph/sites/default/files/pdf/1-BDO_Group_Map_as_of31Dec2022.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-BDO_Group_Map_as_of31Dec2022.pdf</a>	
<b>Recommendation 8.3</b>			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	See pages 12-15 (Board of Directors) and pages 21-22 (Security Ownership of the Board of Directors) in the 2022 Annual Report  <a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a>	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	The qualifications of key executives are in pages 13- 17 of the 2022 Annual Report. The security ownership of management is in pages 21-22.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a>	
<b>Recommendation 8.4</b>			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	COMPLIANT	See Article III, Section 5 (Compensation of Directors) and Article IV, Section 2 (Compensation of Officers) of the Amended By-Laws, which can also be viewed in DHI's website through the following link:	

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		<a href="https://www.bdo.com.ph/sites/default/files/pdf/DHI-Amended-ByLaws-dated-18July2022.pdf">https://www.bdo.com.ph/sites/default/files/pdf/DHI-Amended-ByLaws-dated-18July2022.pdf</a>  See also pages 5 to 6 (Remuneration and Other Incentives of Directors and Senior Management) of the Revised Corporate Governance Manual.	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	COMPLIANT	See pages 5-6 Remuneration and Other Incentives of Directors and Senior Management of the Revised Corporate Governance Manual.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a>	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	COMPLIANT	The remuneration of each member of the Board of Directors for 2022 is presented in pages 18-19 of the 2022 Annual Report  <a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a>	
<b>Recommendation 8.5</b>			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	COMPLIANT	See page 7 (Related Party Transactions) and Annex B (Related Party Transactions Policy) of the Revised Corporate Governance Manual in the link below.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a>  The updated Related Party Transaction Policy of the Company was enhanced in order to conform with the requirement of SEC Memorandum Circular No. 10 (Series of 2019).  <a href="https://www.bdo.com.ph/sites/default/files/pdf/corporate_governance/Related-Party-Transaction%28RPT%29-Policy-as-of-October-2019.pdf">https://www.bdo.com.ph/sites/default/files/pdf/corporate_governance/Related-Party-Transaction%28RPT%29-Policy-as-of-October-2019.pdf</a> .	
2. Company discloses material or significant RPTs reviewed and approved during the	COMPLIANT	On top of the Advisement Report that must be submitted to the SEC, the Company's RPT policy requires public disclosure of material RPTs that meet or exceed 10% of the Company's total assets by	

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year.		including a summary thereof in the Integrated-Annual Corporate Governance Report. In 2022, no transaction qualified under the materiality threshold as defined in SEC MC 10. Series of 2019.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/corporate_governance/Related-Party-Transaction%28RPT%29-Policy-as-of-October-2019.pdf">https://www.bdo.com.ph/sites/default/files/pdf/corporate_governance/Related-Party-Transaction%28RPT%29-Policy-as-of-October-2019.pdf</a>	
<b>Supplement to Recommendation 8.5</b>			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	COMPLIANT	See Conflict of Interest Policy wherein directors and employees are required that any financial and personal interest or benefit in any transaction involving DHI must be disclosed. When presented with a situation involving a potential conflict of interest, it is necessary to disclose the possible conflict in writing to the Supervising Officer, in case of officer or employee, or to the Board of Directors, in case of Directors. This is documented through the Conflict of Interest (COI) Form.  This policy is published in the corporate website under Corporate Governance-Code of Conduct and Business Ethics, in the link below:  <a href="https://www.bdo.com.ph/sites/default/files/BDOLF%20CODE%20OF%20CONDUCT%20AND%20BUSINESS%20ETHICS.pdf">https://www.bdo.com.ph/sites/default/files/BDOLF%20CODE%20OF%20CONDUCT%20AND%20BUSINESS%20ETHICS.pdf</a>  <a href="https://www.bdo.com.ph/sites/default/files/Conflict%20of%20Interest%20Disclosure%20Form.pdf">https://www.bdo.com.ph/sites/default/files/Conflict%20of%20Interest%20Disclosure%20Form.pdf</a>	
<b>Optional : Recommendation 8.5</b>			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	COMPLIANT	The process of ensuring that RPTs are conducted in a fair and at arms' length manner could be found in the Related Party Transactions Policy. The Revised Related Party Transactions Policy provides a general approval matrix to be observed to ensure proper review and approval of transactions between the Company and a Related Party. In 2022, the Company did not have related party transactions that breached the threshold set by SEC Memorandum Circular No. 10 (Series of 2019)  <a href="https://www.bdo.com.ph/sites/default/files/pdf/corporate_governance/Related-Party-Transaction%28RPT%29-Policy-as-of-October-2019.pdf">https://www.bdo.com.ph/sites/default/files/pdf/corporate_governance/Related-Party-Transaction%28RPT%29-Policy-as-of-October-</a>	

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2019.pdf.

## Recommendation 8.6

1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	COMPLIANT	<p>Material facts or events are disclosed to PSE EDGE under "Company Disclosures". See below link to said section of PSE EDGE:</p> <p><a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=31">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=31</a></p> <p>Company disclosures are also available in DHI's website and can be viewed using the following link:</p> <p><a href="https://www.bdo.com.ph/dominion/company-disclosures">https://www.bdo.com.ph/dominion/company-disclosures</a></p>	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	COMPLIANT	<p>The Company's RPT Committee, majority of whom are composed of Independent Directors, evaluates the fairness of the transaction price on acquisition or disposal of assets.</p> <p>Further, the Company's Related Party Transactions Policy requires that related party transactions, whose values meet or exceed 10% of the Company's total assets, require review of an external independent party to evaluate the fairness of its terms and conditions and approval of 2/3 vote of the Board, with at least a majority of the independent directors voting affirmatively.</p> <p>For 2022, there were no material RPTs equivalent to ten percent (10%) or more of the Company's total assets requiring such third party evaluation.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/corporate_governance/Related-Party-Transaction%28RPT%29-Policy-as-of-October-2019.pdf">https://www.bdo.com.ph/sites/default/files/pdf/corporate_governance/Related-Party-Transaction%28RPT%29-Policy-as-of-October-2019.pdf</a></p>	

## Supplement to Recommendation 8.6

1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality	COMPLIANT	In 2022, there were no shareholder agreements or other agreements which will impact on the control, ownership and strategic direction of the company, requiring disclosure.	
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## INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.

### Recommendation 8.7

1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	The Company has a board-approved Corporate Governance Manual in place.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a>	
2. Company's MCG is submitted to the SEC and PSE.	COMPLIANT	The Company's Corporate Governance Manual was submitted to the SEC and PSE. It can be viewed in the DHI website and PSE EDGE at:  <a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a>  <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=31">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=31</a>	
3. Company's MCG is posted on its company website.	COMPLIANT	The MCG of the Company is posted in the Company's website:  <a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a>	

### Supplement to Recommendation 8.7

1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	COMPLIANT	The latest version of the Corporate Governance Manual was submitted on October 28, 2022. It can be viewed in our website at:  <a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a>	
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### Optional: Principle 8

1. Does the company's Annual Report disclose the following information:			
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a. Corporate Objectives	COMPLIANT	See page 3 of the 2022 Annual Report on the company's objective.  The Company's objective and primary purpose is to hold/own real estate properties, securities/shares of stocks, and other assets of other companies, and engage in investment and business activities involving these assets.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a>	
b. Financial performance indicators	COMPLIANT	See page 8-12 of the 2022 Annual Report re: Management Discussion or Analysis and Plan of Operations  <a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a>	
c. Non-financial performance indicators	COMPLIANT	Refer to the Sustainability Report attached to the 2022 Annual Report  <a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a>	
d. Dividend Policy	COMPLIANT	See page 30 of the 2022 Annual Report  <a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a>	
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	COMPLIANT	See pages 12-15 of the 2022 Annual Report for the biographical details of all Directors  <a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a>	

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f. Attendance details of each director in all directors meetings held during the year	COMPLIANT	See pages 28, 45-46 of the 2022 Annual Report for the attendance of directors in Board and Board Committee Meetings. Also attached Certification of 2022 attendance of Board meetings and committee meetings in 2022. (Annex G)	
g. Total remuneration of each member of the board of directors	COMPLIANT	The remuneration of each Director is disclosed in page 19 of the 2022 Annual Report.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a>	
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.	COMPLIANT	See pages 47-48 of the 2022 Annual Report re: Compliance with the SEC Code of Corporate Governance  <a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a>	
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	COMPLIANT	See pages 44-45 of the 2022 Annual Report.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a>	
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	COMPLIANT	See pages 44-45 of the Audit Committee Report in the 2022 Annual Report  <a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a>	
5. The company discloses in the Annual Report the key risks to which the company is	COMPLIANT	Please refer to pages 19-26 of the 2022 Annual Report Notes to the Financial Statements.	

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materially exposed to (i.e. financial, operational including IT, environmental, social, economic).

[https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted\\_0.pdf](https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf)

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

### Recommendation 9.1

- |  |           |   |
|--|-----------|---|
| 1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.                             | COMPLIANT | See page 27 Section 9. Strengthening the External Auditor's Independence and Improving Audit Quality of the Revised Corporate Governance Manual on the Audit Committee Oversight Function on the External Auditor.<br><br><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a>   |
| 2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.    | COMPLIANT | The Board Audit Committee recommends to the Board the appointment, reappointment, and/or change of external auditor. See its Term of Reference.<br><br>The re-appointment of the external auditor was approved by the Audit Committee and endorsed to the Board in 2022. This was ratified by the shareholders in the ASM held on 4/20/22. Please refer to the Minutes of the ASM.<br><br><a href="https://www.bdo.com.ph/sites/default/files/pdf/BDOLF-2022-ASM-Minutes.pdf">https://www.bdo.com.ph/sites/default/files/pdf/BDOLF-2022-ASM-Minutes.pdf</a> |
| 3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures. | COMPLIANT | No such removal or change has happened to date.   |
| 4.   |           |   |

### Supplement to Recommendation 9.1

## INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. Company has a policy of rotating the lead audit partner every five years.	COMPLIANT	<p>The signing partner of Punongbayan &amp; Araullo (P&amp;A) for financial audit of the Company is being rotated regularly to comply with the requirement of SRC Rule 68 (3)(b)(ix) on the five (5) year Rotation of External Auditors, as exhibited in the table below:</p> <table><thead><tr><th>Signing Partner</th><th>Financial Audit Years</th></tr></thead><tbody><tr><td>Mr. Benjamin P. Valdez</td><td>2007-2011</td></tr><tr><td>Mr. Romualdo V. Murcia III</td><td>2012-2016</td></tr><tr><td>Mr. Leonardo D. Cuaresma, Jr.</td><td>2017-2018</td></tr><tr><td>Mr. Romualdo V. Murcia III</td><td>2019-2022</td></tr></tbody></table> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p>	Signing Partner	Financial Audit Years	Mr. Benjamin P. Valdez	2007-2011	Mr. Romualdo V. Murcia III	2012-2016	Mr. Leonardo D. Cuaresma, Jr.	2017-2018	Mr. Romualdo V. Murcia III	2019-2022	
Signing Partner	Financial Audit Years												
Mr. Benjamin P. Valdez	2007-2011												
Mr. Romualdo V. Murcia III	2012-2016												
Mr. Leonardo D. Cuaresma, Jr.	2017-2018												
Mr. Romualdo V. Murcia III	2019-2022												
<b>Recommendation 9.2</b>													
1. Audit Committee Charter includes the Audit Committee's responsibility on: i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.	COMPLIANT	<p>See Terms of Reference of the Audit Committee published in the corporate website at:</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/BDOLF%20Terms%20of%20Reference.pdf">https://www.bdo.com.ph/sites/default/files/pdf/BDOLF%20Terms%20of%20Reference.pdf</a></p>											
2. Audit Committee Charter contains the Committee's responsibility on	COMPLIANT	<p>See Terms of Reference of the Audit Committee published in the corporate website at:</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/BDOLF%20Terms%20of%20Reference.pdf">https://www.bdo.com.ph/sites/default/files/pdf/BDOLF%20Terms%20of%20Reference.pdf</a></p>											

## INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.		0of%20Reference.pdf	
<b>Supplement to Recommendations 9.2</b>			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	COMPLIANT	See Terms of Reference of the Audit Committee published in the corporate website at:  <a href="https://www.bdo.com.ph/sites/default/files/pdf/BDOLF%20Terms%20of%20Reference.pdf">https://www.bdo.com.ph/sites/default/files/pdf/BDOLF%20Terms%20of%20Reference.pdf</a>	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	COMPLIANT	See Terms of Reference of the Audit Committee published in the corporate website at:  <a href="https://www.bdo.com.ph/sites/default/files/pdf/BDOLF%20Terms%20of%20Reference.pdf">https://www.bdo.com.ph/sites/default/files/pdf/BDOLF%20Terms%20of%20Reference.pdf</a>	
<b>Recommendation 9.3</b>			
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	See pages 11-12 Item 7 (Information on Independent Accountant) of the 2022 Annual Report.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a>	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	COMPLIANT	To avoid conflict of interest and impairment of independence, the Audit Committee has in place the list of non-audit services, which may not be provided by the External Auditor. See page 27 last paragraph of Audit Committee Oversight Function in the Revised Corporate Governance Manual.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a>	
<b>Supplement to Recommendation 9.3</b>			

## INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	COMPLIANT	<p>Yes.</p> <p>Other Fees paid in 2022 to P&amp;A amounted to Php56 Thousand which includes non-audit services. The non-audit fee paid to P&amp;A does not outweigh the audit fees of P189 Thousand.</p> <p>Please refer to pages 11-12 of the 2022 Annual Report.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a></p>	
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### Additional Recommendation to Principle 9

1. Company's external auditor is duly accredited by the SEC under Group A category.	COMPLIANT	<p>Mr. Romualdo V. Murcia III SEC Group A Accreditation Partner – No. 95626-SEC (until financial period 2026) Firm No. 0002 (until December 31, 2024)</p> <p>Punongbayan &amp; Araullo (P&amp;A) Grant Thornton 19th &amp; 20th Floor, Tower 1, The Enterprise Center, 6766 Ayala Ave, Makati, 1200</p>	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	COMPLIANT	<p>Upon verification from the Company's external auditor, Punongbayan &amp; Araullo is covered by the SEC Oversight Assurance Review (SOAR) Inspection Program, in compliance with SEC Memorandum Circular No. 9, Series of 2017.</p> <p>Date the external auditor was subjected to SOAR Inspection: September 5-16, 2022.</p> <p>Name of audit firm: Punongbayan &amp; Araullo</p> <p>Members of the engagement team inspected by the SEC: The names of the members of the engagement team were provided to the SEC during the SOAR inspection.</p>	

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

### Recommendation 10.1

## INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	COMPLIANT	The 2022 Sustainability Report of BDO Group which contains disclosure of the management of ESG issues and is compliant with globally recognized standards in reporting sustainability and non-financial issues. The report is attached to the 2022 Annual Report and can be accessed at:  <a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a>	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	COMPLIANT	For 2022, the BDO Group's Sustainability report adopts globally recognized standards based on GRI reporting standards. The 2022 Sustainability Report is attached to the 2022 Annual Report and can be accessed at:  <a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a>	

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

### Recommendation 11.1

1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	COMPLIANT	See page 28, Section 11. Promoting a Comprehensive and Cost-Efficient Access to Relevant Information in the Revised Corporate Governance Manual.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a>	
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### Supplemental to Principle 11

1. Company has a website disclosing up-to-date information on the following:			
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## INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

a. Financial statements/reports (latest quarterly)	COMPLIANT	See SEC 17Q Reports at  Q1 - <a href="https://www.bdo.com.ph/sites/default/files/pdf/3-BDOLF-SEC-17-Q.pdf">https://www.bdo.com.ph/sites/default/files/pdf/3-BDOLF-SEC-17-Q.pdf</a> Q2 - <a href="https://www.bdo.com.ph/sites/default/files/pdf/SEC-FORM-17-Q-2nd-Quarter.pdf">https://www.bdo.com.ph/sites/default/files/pdf/SEC-FORM-17-Q-2nd-Quarter.pdf</a> Q3 - <a href="https://www.bdo.com.ph/sites/default/files/pdf/SEC-Form-17-Q-as-of-September-30-2022.pdf">https://www.bdo.com.ph/sites/default/files/pdf/SEC-Form-17-Q-as-of-September-30-2022.pdf</a>	
b. Materials provided in briefings to analysts and media	COMPLIANT	See page 28, Section 11. Promoting a Comprehensive and Cost-Efficient Access to Relevant Information in the Revised Corporate Governance Manual.  With the transition to a holding company, however, no briefings were conducted to analysts and media in 2022.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a>	
c. Downloadable annual report	COMPLIANT	See Annual Report at:  <a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a>	
d. Notice of ASM and/or SSM	COMPLIANT	See Notice of ASM at:  <a href="https://www.bdo.com.ph/sites/default/files/pdf/BDOLF-ASM-Notice-and-Agenda-April2022-as-of-15Mar22.pdf">https://www.bdo.com.ph/sites/default/files/pdf/BDOLF-ASM-Notice-and-Agenda-April2022-as-of-15Mar22.pdf</a>	
e. Minutes of ASM and/or SSM	COMPLIANT	See Minutes of the 2022 Annual Stockholders Meeting at:  <a href="https://www.bdo.com.ph/sites/default/files/pdf/BDOLF-2022-ASM-Minutes.pdf">https://www.bdo.com.ph/sites/default/files/pdf/BDOLF-2022-ASM-Minutes.pdf</a>	
f. Company's Articles of Incorporation and By-Laws	COMPLIANT	See DHI Amended Articles of Incorporation and By-Laws at  <a href="https://www.bdo.com.ph/sites/default/files/pdf/DHI-Amended-Articles-of-Incorporation-dated-18July2022-redacted.pdf">https://www.bdo.com.ph/sites/default/files/pdf/DHI-Amended-Articles-of-Incorporation-dated-18July2022-redacted.pdf</a>  <a href="https://www.bdo.com.ph/sites/default/files/pdf/DHI-Amended-ByLaws-dated-18July2022.pdf">https://www.bdo.com.ph/sites/default/files/pdf/DHI-Amended-ByLaws-dated-18July2022.pdf</a>	
<b>Additional Recommendation to Principle 11</b>			



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1. Company complies with SEC-prescribed website template.	COMPLIANT	Yes. The Company's website is compliant with the SEC mandated format.	
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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

1. Company has an adequate and effective internal control system in the conduct of its business.	COMPLIANT	<p>The DHI internal audit function adheres to the governing regulations, the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing, Definition of Internal Auditing, and Code of Ethics and certain leading practices and guidance. In assessing controls, BDO Internal Audit employs the COSO Internal Control - Integrated Framework and the Control Objectives for Information and Related Technology.</p> <p>The internal control system is assessed by Internal Audit periodically, in accordance with the BDO risk-based audit methodology.</p>	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	COMPLIANT	<p>See pages 19-26 (Risk Management) of the Notes to the 2022 Audited Financial Statements attached to the 2022 Annual Report for the discussion of the Risk Management Framework, risk management procedures and processes, major risks of the Company and how these are adequately and consistently evaluated, managed, controlled and monitored, and risk governance structure.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a></p> <p>Please see pages 28-29, Section 12 of the Revised Manual on Corporate Governance in the following link:</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p>	

#### Supplement to Recommendations 12.1

1. Company has a formal comprehensive enterprise-wide compliance program	COMPLIANT	See attached DHI Regulatory Compliance Management Manual (condensed version)(Annex H) which was approved by the Board Audit Committee.	
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## INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

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.			
<b>Optional: Recommendation 12.1</b>			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.	COMPLIANT	The Company follows BDO Unibank's effective IT governance process that covers structure, principles and processes. On top of the IT governance structure is the Board of Directors that provides oversight and strategic direction in the development and implementation of the IT governance process thru the BDO Information Technology Steering Committee (ITSC).The IT governance principles define the role that IT will play within and across the organization. These principles are defined in the context of business strategy. In BDO Unibank where there are multiple business units, these principles are geared towards supporting the needs of each business entity including IT security and business continuity requirements and how IT will support them, collectively on a shared-service basis or individually. The end-to-end processes define the necessary series of steps with defined inputs, activities, deliverables, roles and associated responsibilities and authority. Results are then submitted to the ITSC for review and reporting to the Board.	
<b>Recommendation 12.2</b>			
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	COMPLIANT	DHI Internal Audit is in-sourced with the Parent Bank. As provided under the Internal Audit Policy Statement (Internal Audit Charter) reviewed and approved by the Board Audit Committee: - The purpose of Internal Audit is to provide independent, objective assurance and consulting services designed to add value and improve DHI operations.	

## INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

company's operations.		<ul style="list-style-type: none"> <li>- The Internal Audit Head reports functionally to the Board Audit Committee.</li> <li>- The Internal Audit is independent of the activities audited and from the day to day internal control processes, and is free to report audit results, findings, opinions, appraisals and other information through clear reporting line.</li> <li>- The Internal auditors are expected to have impartial and unbiased attitude in performing audits and to avoid conflict of interest.</li> </ul>	
<b>Recommendation 12.3</b>			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	COMPLIANT	<p>The Chief Audit Executive of the Parent bank is Ms. Estrellita V. Ong. See Role of Chief Internal Auditor (CIA) on page 29 of the Revised Corporate Governance Manual for her responsibilities.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></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.	COMPLIANT	<p>This is part of the CIA responsibilities as described in the Revised Corporate Governance Manual (page 29)</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></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.	NOT APPLICABLE	This is not applicable since DHI Internal Audit is in-house (with BDO).	
<b>Recommendation 12.4</b>			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	COMPLIANT	<p>See page 29 Independent Risk Management Function of the Revised Corporate Governance Manual.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p>	
<b>Supplement to Recommendation 12.4</b>			

## INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. Company seeks external technical support in risk management when such competence is not available internally.	NOT APPLICABLE	In 2022, the Risk Management Group did not avail of external technical support.	
<b>Recommendation 12.5</b>			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	COMPLIANT	<p>The Chief Risk Officer (CRO) is Ms. Katherine U. Resari. See pages 16-17 of the 2022 Annual Report for the latter's qualifications and pages 29-30 Role of the Chief Risk Officer of the Revised Corporate Governance Manual for her responsibilities.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a></p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p>	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	COMPLIANT	The incumbent Chief Risk Officer has a rank of Vice President and reports directly to the Risk Management Committee. She is the Head of the Risk Management Unit composed of risk management professionals who are experts in their own field.	
<b>Additional Recommendation to Principle 12</b>			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	COMPLIANT	<p>The Chief Internal Auditor (CIA) attests periodically to the Board Audit Committee and to the Board of Directors that a sound independent control system is in place and functioning well. The Chief Internal Auditor (CIA) functionally reports to the Audit Committee.</p> <p>The Chief Compliance Officer (CCO) reports the status of the Company's compliance with laws, rules, and regulations to the Audit Committee as necessary. She also functionally reports to the Audit Committee.</p> <p>As the CIA and CCO are considered independent officers reporting to the Board Audit Committee, their respective reports are made, and should be made, directly to the Audit Committee of the Board and to the Chairperson of the Board. They do not functionally report</p>	

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to the President.

### Cultivating a Synergic Relationship with Shareholders

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

#### Recommendation 13.1

1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	COMPLIANT	See Section 13. Promoting Shareholders Rights, page 30-32 of the Revised Corporate Governance Manual.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a>	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	COMPLIANT	The Revised Corporate Governance Manual is published in the corporate website at:  <a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a>	

#### Supplement to Recommendation 13.1

1. Company's common share has one vote for one share.	COMPLIANT	Yes. This is expressly stated in the voting Rights of shareholders in Article II Section 6 of the Amended By-Laws.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/DHI-Amended-ByLaws-dated-18July2022.pdf">https://www.bdo.com.ph/sites/default/files/pdf/DHI-Amended-ByLaws-dated-18July2022.pdf</a>	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	COMPLIANT	The equitable treatment of shareholders is enshrined in Article II Section 6 of Amended By-Laws and page 34 of the Revised Corporate Governance Manual. Our CG principle of FAIRNESS essentially applies among others, to the equal treatment and protection of shareholder rights as stated. Rights available to the majority shareholders are also available to the minority shareholders.  DHI has only 1 kind of share: Common Share with 1 vote per share, except in the election of directors where one share is entitled to as many votes as there are directors to be elected.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/DHI-Amended-ByLaws-dated-18July2022.pdf">https://www.bdo.com.ph/sites/default/files/pdf/DHI-Amended-ByLaws-dated-18July2022.pdf</a> <a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a>	

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3. Board has an effective, secure, and efficient voting system.	COMPLIANT	<p>DHI has been using poll voting. Cumulative Voting is allowed in the election of directors. This method is discussed in page 31 of the Revised Corporate Governance Manual and 2022 Definitive Information Statement.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/BDO-Leasing-and-Finance-Inc-Definitive-Information-Statement.pdf">https://www.bdo.com.ph/sites/default/files/pdf/BDO-Leasing-and-Finance-Inc-Definitive-Information-Statement.pdf</a></p>
4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	COMPLIANT	<p>The Company strives to achieve the Principle being recommended through the following:</p> <p><b>Affirmation of Shareholders' Voting Rights</b> - The Company affirms the voting rights given to the minority shareholders relative to certain major corporate acts that require the approval of at least 2/3 of the shareholders, which effectively include already the "majority of the minority" shareholders.</p> <p>In the 2022 Notice of the Annual Stockholders' Meeting (ASM), the Company reminds all shareholders including minority shareholders, to vote during the ASM to reinforce their participation in the affairs of the company.</p> <p>See pages 30-31 of the Revised Corporate Governance Manual and Notice of 2022 ASM.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/BDOLF-ASM-Notice-and-Agenda-April2022-as-of-15Mar22.pdf">https://www.bdo.com.ph/sites/default/files/pdf/BDOLF-ASM-Notice-and-Agenda-April2022-as-of-15Mar22.pdf</a></p> <p><b>Recognition of Shareholders' Appraisal Right</b> - In accordance with law, the Company recognizes also the appraisal right of any shareholder in case of dissenting vote on any approved major corporate actions.</p> <p>See page 32 of the Revised Corporate Governance Manual and</p>

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		<p>Notice of 2022 ASM.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/BDOLF-ASM-Notice-and-Agenda-April2022-as-of-15Mar22.pdf">https://www.bdo.com.ph/sites/default/files/pdf/BDOLF-ASM-Notice-and-Agenda-April2022-as-of-15Mar22.pdf</a></p> <p><b>Additional Mechanisms to protect Minority Shareholders</b> - The Company has in place policies on Related Party Transactions to protect against improper conflict of interest, Personal Trading Policy to prevent insider trading where trading black-out is imposed on directors and employees of the Company when price-sensitive information is disclosed to the public and a Whistle Blower Policy to provide a channel for reporting of illegal practices, abuse of authority and fraudulent activity, etc. without fear of reprisal. Related party transactions are reviewed by the Related Party Transactions Committee consisting of Independent and Non-Executive Directors.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/corporate_governance/Related-Party-Transaction%28RPT%29-Policy-as-of-October-2019.pdf">https://www.bdo.com.ph/sites/default/files/pdf/corporate_governance/Related-Party-Transaction%28RPT%29-Policy-as-of-October-2019.pdf</a></p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Personal-Trading-Policy-2022.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Personal-Trading-Policy-2022.pdf</a></p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Policy-on-Disclosure-on-Sensitive-Information.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Policy-on-Disclosure-on-Sensitive-Information.pdf</a></p>	
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	COMPLIANT	<p>DHI Amended By-Laws allows this. Please see Article II Section 3 Amended By-Laws – Special Meetings which states that:</p> <p>“Special meetings of stockholders, unless otherwise provided by law, may be called at any time by the President and Secretary of the Company, or by the Secretary of the Company upon order of the Board of Directors or of the Executive Committee. The Secretary shall call a special meeting of stockholders whenever he is requested in writing to do so by holders of record of a majority of the capital stock of the Company entitled to vote at such</p>	

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		meetings."  <a href="https://www.bdo.com.ph/sites/default/files/pdf/DHI-Amended-ByLaws-dated-18July2022.pdf">https://www.bdo.com.ph/sites/default/files/pdf/DHI-Amended-ByLaws-dated-18July2022.pdf</a>  There was no special shareholders' meeting called in 2022.	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	COMPLIANT	<p>The Company recognizes that all shareholders should be treated fairly and equally whether they are controlling or minority, local or foreign. To ensure this, the Amended By-Laws of the Company provide that all shares in each class should carry the same rights and any changes in the voting rights to be approved by them.</p> <p>Any stockholder, whether majority or minority has the right to nominate candidates for seats in the Board of Directors, access to any information relating to matters for which the management is accountable, propose items in the agenda of the meeting, provided the items are for legitimate business purposes.</p> <p>Policies and procedures have been put in place as well to protect the interests of minority shareholders such as the Related Party Transactions Policy to manage potential conflicts of interests arising from related party transactions and the Personal Trading Policy that prohibits insider trading. Please see page 34-35 Section 13 for the rights of the shareholders in the Revised Corporate Governance Manual.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p>	



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7. Company has a transparent and specific dividend policy.	COMPLIANT	<p>See DHI Dividend Policy Statement at:  <a href="https://www.bdo.com.ph/sites/default/files/pdf/Dividend%20Policy%20Statement.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dividend%20Policy%20Statement.pdf</a></p> <p>"DHI recognizes the importance of providing a stable and sustainable dividend stream consistent with its commitment to shareholders.</p> <p>The Board of Directors may, at its discretion and depending on the business results for the year and capital needs of the business, declare and approve the distribution of additional special dividends to all shareholders normally announced at the Annual Stockholders' Meeting."</p> <p>Dividends are processed and paid based on PSE and SEC Rules as follows:</p> <p>Payment date should not be more than 18 trading days from the record date, and disclosure of record date must not be less than 10 trading days from said date.</p> <p>No dividend was declared in 2022.</p>	
<b>Optional: Recommendation 13.1</b>			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	COMPLIANT	<p>This was complied in the 4/20/22 ASM per attached website link on the Minutes of ASM, where P&amp;A was engaged to count and validate votes.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/BDOLF-2022-ASM-Minutes.pdf">https://www.bdo.com.ph/sites/default/files/pdf/BDOLF-2022-ASM-Minutes.pdf</a></p>	
<b>Recommendation 13.2</b>			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and	COMPLIANT	<p>This was complied as the Notice of ASM with sufficient and relevant information was published on 3/7/22, 44 days before the meeting.</p> <p><a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=5d0f306a0d92e08f3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=5d0f306a0d92e08f3470cea4b051ca8f</a></p>	

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relevant information at least 28 days before the meeting.

## Supplemental to Recommendation 13.2

1. Company's Notice of Annual Stockholders' Meeting contains the following information:			
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	COMPLIANT	The profiles of directors are included in the 2022 Notice of Annual Stockholders' Meeting (ASM).  <a href="https://www.bdo.com.ph/sites/default/files/pdf/BDOLF-ASM-Notice-and-Agenda-April2022-as-of-15Mar22.pdf">https://www.bdo.com.ph/sites/default/files/pdf/BDOLF-ASM-Notice-and-Agenda-April2022-as-of-15Mar22.pdf</a>	
b. Auditors seeking appointment/re-appointment	COMPLIANT	The re-appointment of auditors is included in the 2022 Notice of Annual Stockholders' Meeting (ASM).  <a href="https://www.bdo.com.ph/sites/default/files/pdf/BDOLF-ASM-Notice-and-Agenda-April2022-as-of-15Mar22.pdf">https://www.bdo.com.ph/sites/default/files/pdf/BDOLF-ASM-Notice-and-Agenda-April2022-as-of-15Mar22.pdf</a>	
c. Proxy documents	COMPLIANT	The link to the proxy documents is included in the 2022 Notice of Annual Stockholders' Meeting (ASM).  <a href="https://www.bdo.com.ph/sites/default/files/pdf/BDOLF-ASM-Notice-and-Agenda-April2022-as-of-15Mar22.pdf">https://www.bdo.com.ph/sites/default/files/pdf/BDOLF-ASM-Notice-and-Agenda-April2022-as-of-15Mar22.pdf</a>	

## Optional: Recommendation 13.2

1. Company provides rationale for the agenda items for the annual stockholders meeting	COMPLIANT	Agenda details and rationale were indicated in the 4/20/22 Notice of ASM.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/BDOLF-ASM-Notice-and-Agenda-April2022-as-of-15Mar22.pdf">https://www.bdo.com.ph/sites/default/files/pdf/BDOLF-ASM-Notice-and-Agenda-April2022-as-of-15Mar22.pdf</a>	
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## Recommendation 13.3

1. Board encourages active shareholder participation by making the result of the votes	COMPLIANT	Minutes of the meeting with the results of the votes was disclosed to PSE on 4/21/22, a day after the 4/20/22 ASM.	
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taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.		<a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=5dbb8848767b334a3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=5dbb8848767b334a3470cea4b051ca8f</a>	
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	COMPLIANT	The Minutes of the 4/20/22 ASM was posted in the company website by 4/22/22, 2 business days from the end of the meeting.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/BDOLF-2022-ASM-Minutes.pdf">https://www.bdo.com.ph/sites/default/files/pdf/BDOLF-2022-ASM-Minutes.pdf</a>	
<b>Supplement to Recommendation 13.3</b>			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	COMPLIANT	Minutes of the ASM states that Punongbayan & Araullo, Grant Thornton (P&A) attended the 4/20/22 ASM to validate all votes in accordance with the voting procedures provided in the Definitive Information Statement (DIS). Other relevant individuals to answer the shareholders' questions also attended the 4/20/22 ASM.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/BDOLF-2022-ASM-Minutes.pdf">https://www.bdo.com.ph/sites/default/files/pdf/BDOLF-2022-ASM-Minutes.pdf</a>	
<b>Recommendation 13.4</b>			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	COMPLIANT	See Annex C Alternative Dispute Resolution (ADR) of the Revised Manual of Corporate Governance for complete details of the ADR.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a>	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	COMPLIANT	See Annex C of the Revised Manual of Corporate Governance at  <a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a>	
<b>Recommendation 13.5</b>			

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1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	COMPLIANT	Being a subsidiary and part of BDO Group, the Company's Investor Relations function is centralized with the Parent Bank.  NAME: Mr. Luis S. Reyes/EVP – Head, Investors Relations & Corporate Planning TEL. NUMBER: (632) 8840-7000 locals 6069, 4809 and 3581  EMAIL ADDRESS: irandcorplan@bdo.com.ph	
2. IRO is present at every shareholder's meeting.	COMPLIANT	The Company's Investor Relations Officer is Mr. Luis S. Reyes who is present at every shareholder's meeting.	

### Supplemental Recommendations to Principle 13

1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	COMPLIANT	DHI Amended By-Laws do not contain anti-takeover provisions, no issuance of "poison pill" preferred stocks, no standstill agreement, premium stock repurchases, etc.	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	NON-COMPLIANT		As of December 31, 2022, public float was 11.46%, per DHI's Public Ownership Report submitted to PSE. This is compliant with the minimum requirement per existing regulations at 10%.  Trading was suspended by the Philippine Stock Exchange (PSE) since February 14, 2020.  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=57d00f99448b9c2b5d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=57d00f99448b9c2b5d542af6f1e997b9</a>

### Optional: Principle 13

1. Company has policies and practices to encourage shareholders to engage with the company beyond the	COMPLIANT	See page 28 Section 11. Promoting a Comprehensive And Cost-Efficient Access to Relevant Information; page 33 Shareholder Relations; page 34 Investors and page 35 Stakeholders' Engagement of the Revised Corporate Governance Manual. These	
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Annual Meeting	Stockholders'		contain the policies and practices to actively engage the shareholders anytime for a better appreciation of market sentiment towards the Company.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a>	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.		COMPLIANT	The Company practices secure electronic voting in absentia during ASMs. During the 2022 ASM, shareholders were allowed to attend via proxy and remote communication, and to vote in absentia.  Refer to the Guidelines for participating via remote communication and voting in absentia as posted in the company's website for the 2022 ASM.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/Guidelines-for-Participating-via-Remote-Communication-and-Voting-in-Absentia-as-of-2Mar22-2PM.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Guidelines-for-Participating-via-Remote-Communication-and-Voting-in-Absentia-as-of-2Mar22-2PM.pdf</a>	

### Duties to Stakeholders

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

#### Recommendation 14.1

1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	COMPLIANT	The Company's stakeholders are the shareholders, employees, creditors, suppliers, service providers, counterparties, government, regulators, competitors, and communities in which the Company operates. See pages 34-35 Fair Treatment and Protection of Stakeholders of the Revised Corporate Governance Manual for the policies and programs for each type of stakeholders.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a>	
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#### Recommendation 14.2

1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	COMPLIANT	See pages 34-35 Fair Treatment and Protection of Stakeholders of the Revised Corporate Governance Manual for the policies and programs for each type of stakeholders.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a>	
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		Inc-Corporate-Governance-Manual.pdf	
<b>Recommendation 14.3</b>			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	COMPLIANT	<p>1. For Shareholders: NAME: Mr. Luis S. Reyes/SVP – Head, Investors Relations &amp; Corporate Planning TEL. NUMBER: (632) 840-7000 locals 6069, 4809 and 3581 EMAIL ADDRESS: irandcorplan@bdo.com.ph</p> <p>2. For Customers and Other Stakeholders NAME: Mr. Romell A. Gamboa TEL. NUMBER: 840-7000 (loc. 45410) EMAILADDRESS: help-bdofinance@bdo.com.ph</p> <p>See Policy on Disclosure of Sensitive/Confidential Matters to Management at:  <a href="https://www.bdo.com.ph/sites/default/files/pdf/Policy-on-Disclosure-on-Sensitive-Information.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Policy-on-Disclosure-on-Sensitive-Information.pdf</a></p>	
<b>Supplement to Recommendation 14.3</b>			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	COMPLIANT	<p>See Annex C of the Revised Corporate Governance Manual for the full details of Alternative Dispute Resolution Policy.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a></p>	
<b>Additional Recommendations to Principle 14</b>			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps	COMPLIANT	DHI has not requested any exemption from SEC, PSE and BSP related to corporate governance. In fact, the Company has continued to follow, where appropriate, the international best practices of corporate governance issued by globally recognized standards setting bodies such as the Organization of Economic Cooperation and Development (OECD) and the ASEAN Corporate Governance Scorecard which serve as essential points of reference.	

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being taken to finally comply with the applicable law, rule or regulation.			
2. Company respects intellectual property rights.	COMPLIANT	The Company does not infringe on the intellectual property rights of others. As an example, it uses only licensed software in its software applications. Proprietary protection of Intellectual Property Rights is a standard provision in the Software Licensing Agreement.	
<b>Optional: Principle 14</b>			
1. Company discloses its policies and practices that address customers' welfare	COMPLIANT	<p>The Board of Directors first approved on December 2015 the Company's Guiding Principles on Consumer Protection which serves as the Company's framework for defining its Consumer Protection Risk Management System (CPRMS).</p> <p>With the change in corporate purpose to a holding company, the Company no longer has customers in 2022.</p>	
2. Company discloses its policies and practices that address supplier/contractor selection procedures	COMPLIANT	<p>The Company adopts Parent Bank's strict standards and procedures on the selection, qualification, accreditation and supervision of its suppliers/contractors. This is covered by the Parent Bank's General Procurement Guidelines.</p> <p>These include, among others, the following:</p> <p>A. Sourcing of Vendors/Suppliers/Contractors</p> <p>1. As a general rule, vendors, suppliers, and contractors shall be sourced through research via trade organizations, publications (including the internet), professional bodies, and other external entities, and through market consultation.</p> <p>2. The Parent Bank's Procurement unit, the Procurement and Supply Management Division (PSMD), shall accept walk-in vendors/suppliers/contractors and entertain referral from units as possible sources of goods or services.</p> <p>B. Vendor Accreditation</p> <p>Criteria shall include the following items:</p> <p>a. financial, credit, and technical capability</p> <p>b. track record / reputation in the industry</p> <p>c. availability of capacity /network</p> <p>d. cost competitiveness</p> <p>e. business reciprocity with the Bank</p>	

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### C. Competitive Processes

#### Canvassing/Bidding

The Parent Bank invites a certain number of vendors/suppliers. They have to meet certain criteria before they can bid for work or a supply contract. The Bank awards the Contract to the one who offers the most advantageous commercial terms and who can demonstrate cost effectiveness, competence, and reliability.

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

#### Recommendation 15.1

1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	COMPLIANT	See page 36 Section 15. Encouraging Employees Participation of the Revised Corporate Governance Manual.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf</a>
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#### Supplement to Recommendation 15.1

1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	COMPLIANT	The Employee Stock Option Plan has been in place since 2005.  With the change to a holding company, the company's remaining employees receive their compensation directly from BDO or BDO Finance.  See page 18 of the 2022 Annual Report  <a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a>
2. Company has policies and practices on health, safety and welfare of its employees.	COMPLIANT	See pages 32-33 of the 2022 Annual Report for the policies and practices on health, safety and welfare of employees, which details the policies and programs related to Employee Welfare, Health & Safety including pertinent data in 2022.  <a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a>



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3. Company has policies and practices on training and development of its employees.	COMPLIANT	See page 32 on the Continuing Education for directors in the 2022 Annual Report  <a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a>	
<b>Recommendation 15.2</b>			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	COMPLIANT	This is embodied in the Revised Code of Conduct and Business Ethics on Conduct Relating to Customers and External Constituencies and Acceptance/Solicitation of Gifts, Bribery and Corruption. See page 1 and 3 of the Code.  <a href="https://www.bdo.com.ph/sites/default/files/BDOLF%20CODE%20OF%20CONDUCT%20AND%20BUSINESS%20ETHICS.pdf">https://www.bdo.com.ph/sites/default/files/BDOLF%20CODE%20OF%20CONDUCT%20AND%20BUSINESS%20ETHICS.pdf</a>	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	The Revised Code of Conduct and Business Ethics is published in the Company's website and intranet to be accessible to all covered individuals. The implementation of the Code was announced bankwide in the e-Newsgam. Covered individuals were required to sign an Acknowledgment Receipt Form signifying that they have read and understood the policies and programs enunciated in the Code.  <a href="https://www.bdo.com.ph/sites/default/files/BDOLF%20CODE%20OF%20CONDUCT%20AND%20BUSINESS%20ETHICS.pdf">https://www.bdo.com.ph/sites/default/files/BDOLF%20CODE%20OF%20CONDUCT%20AND%20BUSINESS%20ETHICS.pdf</a>	
<b>Supplement to Recommendation 15.2</b>			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	COMPLIANT	See Sanctions & Penalties of the Revised Code of Conduct and Business Ethics at:  <a href="https://www.bdo.com.ph/sites/default/files/BDOLF%20CODE%20OF%20CONDUCT%20AND%20BUSINESS%20ETHICS.pdf">https://www.bdo.com.ph/sites/default/files/BDOLF%20CODE%20OF%20CONDUCT%20AND%20BUSINESS%20ETHICS.pdf</a> which we quote:  "Failure to comply with the requirements of the Code may lead to disciplinary measures commensurate to the violations.  The Company will use principles of fair accountability and due	

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		<p>process in investigating and making decisions on all matters pertaining to failure to abide by the Code.</p> <p>The Company reserves the right to impose corresponding sanctions and/or penalties for violation of the Code, which includes dismissal from service or from the Board of Directors, as the case may be, without prejudice to further legal, administrative or criminal charges depending on the offense."</p>	
<b>Recommendation 15.3</b>			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	COMPLIANT	<p>See Policy on Disclosure of Sensitive or Confidential Matters to Management at:</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Policy-on-Disclosure-on-Sensitive-Information.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Policy-on-Disclosure-on-Sensitive-Information.pdf</a></p> <p>Yes. This is clearly stated in the section on Protecting the Whistle Blower.</p> <p>Reporting Process Reporting may be done thru any available means such as but not limited to SMS text (e.g. BDO Watch), letter, email or phone call directly to the Office of the President (OP) or the appropriate Head of the Unit concerned. For concerns directly involving the President and the other Executive Directors, the report should be addressed to the Board of Directors thru the Office of the Chairperson. For RPT-related concerns, the report should be addressed to the Chairman, Related Party Transactions Committee.</p>	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	COMPLIANT	See Reporting Process above.	

## INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

3. Board supervises and ensures the enforcement of the whistleblowing framework.	COMPLIANT	The Compliance Unit of DHI is responsible for overseeing the implementation of this policy. The Head of the Cases Review Committee Secretariat will submit a monthly report to the Compliance Officer, Cases Review Committee and the Audit Committee covering the number of reports received, actions taken and its latest status. The Audit Committee, at its discretion, may periodically report the whistle blower cases to the Board of Directors.	
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**Principle 16:** The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

### Recommendation 16.1

1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	COMPLIANT	<p>Please refer to pages 34-42 of the 2022 Annual Report on Corporate Social Responsibility of BDO Group in its community involvement. On environment-related programs, BDO Group has in place a Social and Environmental Management Systems Policy (SEMS Policy) to ensure that environmental and social consciousness are incorporated in the day-to-day operations of the Group for the benefit of all its stakeholders, employees, and the community in which it operates. It has also a provision that will limit the Group's exposure to certain industries that have an adverse impact on the environment and this is included in the evaluation of credit proposals. The BDO Group also introduced the "Go Green Program" to raise awareness on environmental issues, promote good environmental practices in the workplace.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a></p>	
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### Optional: Principle 16

1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	COMPLIANT	<p>See pages 40-42 of the 2022 Annual Report on BDO Group's Sustainable development programs.</p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf">https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf</a></p>	
2. Company exerts effort to interact positively with the communities in which it operates	COMPLIANT	See page 36 to 37, Section 16 of the Revised Corporate Governance Manual- Encouraging Sustainability and Social Responsibility wherein the Company has instituted socio-civic programs centered on Disaster	

## INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

Response Advocacy, Environmental Initiatives, Sustainability, Climate Change and Wildlife Protection.

The BDO Group interacts positively with the communities in which it operates through our corporate social responsibility arm, BDO Foundation, Inc. BDO Group's efforts on social responsibility can be found in the 2022 Sustainability Report. See pages 34-42 on Corporate Social Responsibility of DHI as part of the BDO Group, in the 2022 Annual Report for its community involvement.

[https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted\\_0.pdf](https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf)



## **2022 Integrated Annual Corporate Governance Report (I-ACGR)**

<b>Annexes</b>	<b>Subject</b>
Annex A	2022 Annual Report (website link)
Annex B	Revised Corporate Governance Manual (website link)
Annex C	Certificate of Attendance of Atty. Joseph Jason M. Natividad in the BDO Corporate Governance Seminar last July 20, 2022
Annex D	Sample Transmittal to directors on the distribution of board materials
Annex E	Certificate of Attendance of Ms. Katherine U. Resari in the BDO Corporate Governance Seminar last last July 20, 2022
Annex F	Internal Audit Charter
Annex G	Certificate of attendance of Board meetings and committee meetings
Annex H	Regulatory Compliance Management Manual

## **Annex A**

SEC Form 17-A (Annual Report)  
Dominion Holdings, Inc.

Please refer to link below:

[https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted\\_0.pdf](https://www.bdo.com.ph/sites/default/files/pdf/1-2022-DHI-SEC-Form-17-A-Final-redacted_0.pdf)

## **Annex B**

### Revised Corporate Governance Manual

Please refer to link below:

<https://www.bdo.com.ph/sites/default/files/pdf/Dominion-Holdings-Inc-Corporate-Governance-Manual.pdf>



# *Certificate of Attendance*

*is presented to*

**ATTY. JOSEPH JASON M. NATIVIDAD**

**Corporate Secretary, BDO Network Bank, Inc.; Corporate Secretary, BDO Leasing and Finance, Inc.; Assistant Corporate Secretary, BDO Insurance Brokers, Inc.**

*for attending and participating in the*

**2022 Annual Corporate Governance Seminar**

*Topics:*

*Sustainability and the Role of Boards  
Geopolitical Risk*

*July 20, 2022*

*8:00 am – 12:30 pm*

*via Zoom Videoconferencing*

A handwritten signature in black ink, appearing to read "Federico P. Tancongco".

**Atty. Federico P. Tancongco**

**Senior Vice President & Chief Compliance Officer  
BDO Unibank, Inc.**

*This seminar is accredited by the Securities and Exchange Commission (SEC) in its advisement letter dated 07 July 2022 signed by Atty. Rachel Esther J. Gumtang-Remalante, Director of Corporate Governance and Finance Department, with reference number 202207-004-OD.*



**From:** JJ natividad <jjnatividad@factoranlaw.com>

**Sent:** Friday, October 21, 2022 5:15 PM

**To:** estelaismaeljr <[REDACTED]>; Rebecca S. Torres <[REDACTED]>;  
bunnyuranza <[REDACTED]>; bunny\_uranza <[REDACTED]>

**Cc:** Manuel Jr Z. Locsin <[REDACTED]>; Ma. Cecilia S. Santos <[REDACTED]>;  
Katherine Resari <[REDACTED]>; Marilou A. Cruz <[REDACTED]>;  
Elizabeth M. Benemile <[REDACTED]>; Abethbenemile09  
<[REDACTED]>; Leilani M. Celemen <[REDACTED]>; jjnatividad  
<[REDACTED]>

**Subject:** Dominion Holdings (formerly BDO Leasing) Corporate Governance Committee Agenda and Materials for October 26, 2022 Meeting

Dear CGC Members of DHI:

Please find attached agenda and materials for the **Corporate Governance Committee (CGC) Meeting of DOMINION HOLDINGS, INC. (formerly BDO Leasing and Finance, Inc.)** on October 26, 2022, Wednesday, as follows:

1. Agenda;
2. Minutes of the CGC Meeting - August 3, 2022;
3. Updates to the Corporate Governance Manual of DHI; and
4. Amendment of the Corporate Vision, Mission and Core Values of DHI

You may access the scanned materials using the password to be sent by Ms. Elizabeth Benemile.

If you have concerns/instructions, please inform the Office of the Corporate Secretary for our immediate action.

Thank you.

Very truly yours,

**Jason M. Natividad**

Corporate Secretary

Dominion Holdings, Inc.



# *Certificate of Attendance*

*is presented to*

**KATHERINE U. RESARI**

**Compliance Officer & Corporate Governance Officer  
BDO Leasing & Finance, Inc. & BDO Finance Corporation**

*for attending and participating in the*

**2022 Annual Corporate Governance Seminar**

*Topics:*

*Sustainability and the Role of Boards  
Geopolitical Risk*

*July 20, 2022*

*8:00 am – 12:30 pm*

*via Zoom Videoconferencing*

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**Atty. Federico P. Tancongo**

**Senior Vice President & Chief Compliance Officer  
BDO Unibank, Inc.**

*This seminar is accredited by the Securities and Exchange Commission (SEC) in its advisement letter dated 07 July 2022 signed by Atty. Rachel Esther J. Gumtang-Remalante, Director of Corporate Governance and Finance Department, with reference number 202207-004-OD.*

## BDO Leasing and Finance, Inc. (BDOLF)

### **INTERNAL AUDIT POLICY STATEMENT INTERNAL AUDIT FOR BDO LEASING AND FINANCE, INC.**

#### **Mission**

The mission of Internal Audit for BDO Leasing and Finance, Inc. (Internal Audit) is to enhance and protect the organizational value by providing risk-based and objective assurance, advice, and insight.

#### **I. Purpose, Stature, Authority and Responsibilities of the Internal Audit Function**

The purpose of Internal Audit is to provide independent, objective assurance and consulting services designed to add value and improve BDOLF's operations. The Internal Audit helps: 1) BDOLF accomplish the objectives set by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes, and 2) the Management and Board of Directors in protecting the Company and its reputation. An effective and efficient internal audit function constitutes the third line role in governance and management of risk, including internal control. The internal audit function shall both assess and complement the operational management, risk management, compliance and other control functions.

The Internal Audit is under the direct supervision of the BDOLF Board Audit Committee (BAC) and assists the BDOLF Board of Directors and the Management in performing their legal obligations for ensuring proper and reasonable operations of the Company. The Internal Audit is a permanent function with scope that is commensurate with the size, nature of operations and complexity of BDOLF.

The Internal Audit Head will report functionally to the BAC and administratively to the President. To establish, maintain, and assure that Internal Audit has sufficient authority to fulfill its duties, the BAC will:

- Approve this IA Policy Statement (Audit Charter).
- Approve the risk-based audit plan and subsequent changes, if any.
- Approve the internal audit's budget and resource plan.
- Receive timely communications from the Internal Audit Head on internal audit's performance relative to its plan and other matters.
- Make appropriate inquiries with Management and the Internal Audit Head to determine whether there is inappropriate scope or resource limitations.

The Internal Audit Head will have unrestricted access to and communicate and interact directly with the Board of Directors, BAC and other Committees, including in meetings without the presence of Management. The Internal Audit shall have full, free, and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information.

**II. Independence, Objectivity, Professional Competence, Due Professional Care, and Professional Ethics**

The Internal Audit shall be independent and will have no direct operational responsibility or authority over any of the activities audited. It shall be free to report audit results, findings, opinions, appraisals and other information through clear reporting line to the BAC. The Internal Audit Head will ensure that Internal Audit remains free from all conditions that threatens the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the Internal Audit Head determines that independence or objectivity is impaired either in fact or appearance, the details of impairment will be disclosed to appropriate parties.

In case the Internal Audit Head has or is expected to have roles and/ or responsibilities that fall outside of internal auditing, safeguards will be established to limit impairments to independence and objectivity.

Internal Auditors shall have impartial and unbiased attitude in performing audits and shall avoid conflicts of interest.

The internal audit function shall be comprised of professional and competent internal auditors who collectively have the knowledge and experience necessary in the conduct of an effective internal audit on all areas of the Company's operations. The skills set of the internal auditors shall be complemented with appropriate audit methodologies and tools, as well as sufficient knowledge of auditing techniques in the conduct of audit activities.

All Internal Audit personnel shall act with integrity in carrying out their duties and responsibilities. They shall respect the confidentiality of information acquired in the course of the performance of their duties and shall not use it for personal gain or malicious actions.

**III. Outsourcing Internal Audit Activities to External Experts**

The Internal Audit shall not outsource any of its internal audit activities. However, in case there is a need to outsource certain engagements, either to have access to certain areas of expertise that are not available to the internal audit function or to address resource constraints, it shall be subject to specific BAC review and approval.

**IV. Consulting or Advisory Services that may be Provided by the Internal Audit Function**

The Internal Audit may provide consulting or advisory services to Management on matters related to risks and internal controls provided that it will not be involved in the development or implementation of policies and procedures, preparation of reports or execution of activities that fall within its scope of review. Said consulting or advisory services shall be conducted in accordance with the internal auditing standards.

**V. Responsibilities and Accountabilities of the Head of the Internal Audit**

1. To demonstrate appropriate leadership and have the necessary skills to fulfill responsibilities for maintaining the Internal Audit's independence and objectivity;
2. To be accountable to the Board of Directors or BAC on all matters related to the performance of its mandate as provided in this Policy Statement. The head of Internal Audit function shall submit a report to the BAC on the status of accomplishments of Internal Audit, including the findings noted during the conduct of the internal audit, as well as the status of compliance/ resolution of concerned departments/ units/ teams;
3. To ensure that the internal audit function complies with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing* and other supplemental standards issued by regulatory authorities/ government agencies, as well as with relevant code of ethics;
4. To develop an audit plan based on robust risk assessment, including inputs from the Board of Directors, BAC and senior management and ensure that such plan is comprehensive and adequately covers regulatory matters. The head of the internal audit function shall also ensure that the audit plan, including any revisions thereto, shall be approved by the BAC. The impact of the resource limitations to the audit plan shall be communicated also to the BAC. The said plan shall also consider the objectives of the Company;
5. To ensure that the internal audit function has adequate human resources with sufficient qualifications and skills necessary to accomplish its mandate. In this regard, the head of internal audit function shall periodically assess and monitor the skills set of the internal audit function and ensure that there is an adequate development program for the internal auditors.
6. To issue an audit report for each audit conducted summarizing significant findings, recommendations and the responses or planned corrective actions with target dates of audited units. Results of audit shall be presented to the BAC in a timely manner. Internal Audit has the authority to release the final audit report if no replies were received from the Unit audited, provided that the findings had been duly discussed with said Unit. The audit findings and recommendations shall be subjected to appropriate follow-through process until duly addressed.
7. To submit to the BAC an annual report on the Internal Audit purpose, authority, and responsibilities, and performance relative to the audit plan and strategies approved by the BAC, and adherence to the Code of Ethics and the Standards. The said report shall also contain the overall assessment of the control, risk management, governance, and compliance, as well as the specific assessments to comply with certain regulatory requirements/ expectations from internal audit, including the significant risk exposures and control issues, if any. Likewise, the said report shall include the confirmation of the organizational independence of Internal Audit, and disclosure on any interference and related implications in determining the scope of internal audit, performing work, and communicating results. The quality assurance and improvement program and the results of the external assessments of the internal audit conducted at least once every five (5)



years by a qualified, independent and external party shall also be incorporated in that report. A summary of the units audited for the current year with comparative performance rating for previous year shall also be made part of the said report.

## **VI. Scope of Responsibilities**

All processes, systems, units, and activities including outsourced services shall fall within the overall scope of Internal Audit. The scope of internal audit encompasses, but is not limited to objective examinations of evidence for the purpose of providing independent assessments on the adequacy and effectiveness of governance, risk management and control and shall cover among others the following:

1. Evaluation of the adequacy, efficiency and effectiveness of internal control, risk management and governance systems in the context of current and potential future risks.
2. Review of the reliability, effectiveness and integrity of management and financial information systems, including the electronic information system.
3. Review of the systems and procedures of safeguarding the Company's physical and information assets, as well as verification of the existence of such assets, where appropriate.
4. Review of the compliance system and the implementation of established policies and procedures. Likewise, Internal Audit shall identify opportunities to improve operational efficiency and make appropriate recommendations.
5. Review of compliance with relevant laws, rules and regulations, contractual obligations and other commitments, which have significant impact including but not limited to the assessment of the adequacy of capital and provisions, liquidity level, regulatory and internal reporting.
6. Investigation of operational lapses, fraud, waste and abuse, referred to Internal Audit for investigation by the BAC, BDO Cases Review Committee or Management.
7. Conduct of other reviews or evaluations that are related to Internal Audit's role, as directed by the BAC, by the Chairperson, or by Top Management.

## **VII. Mandatory Guidance for the Professional Practice of Internal Auditing**

The Internal Audit will govern itself through adherence to the mandatory guidance of The Institute of Internal Auditors' International Practices Framework (IPPF), which include the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the *International Standards of the Professional Practice of Internal Auditing*, and the Definition of Internal Auditing. The said mandatory guidance constitutes the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of internal audit's performance. Conformance with the Code of Ethics and the Standards is likewise prescribed under BSP Circular No. 871 (Series of 2015).

BDO Leasing and Finance, Inc. (BDOLF)


**VIII. Coordination with the External Auditor and Supervisory Authority**

Internal Audit shall coordinate with external auditors to avoid duplication of efforts. The approved audit plan and scope, as well as other information and documents relevant to an audit/ examination by the external auditors or supervisory authority shall be provided upon request.

**IX. Quality Assurance and Improvement Program**

Internal Audit shall maintain a quality assurance and improvement program that covers all aspects of the internal audit including the evaluation of conformance with the mandatory guidance and efficiency and effectiveness, as well as identification of opportunities for improvement. Said program shall provide for the internal assessment processes and the external assessment which is conducted at least once every five (5) years by a qualified, independent and external party, among others.

This Internal Audit Policy Statement shall be reviewed periodically to keep it updated, appropriate, and prudent in consideration of the changes in circumstances and business in general.

  
**ESTRELLITA V. ONG**  
Chief Internal Auditor and Group Head

**APPROVED BY THE BOARD AUDIT COMMITTEE, BDO LEASING & FINANCE, INC.:**

(Date: \_\_\_\_\_, 2022)

  
**VICENTE S. PEREZ, JR.**  
Member

  
**ISMAEL G. ESTELA, JR.**  
BAC Chairman

  
**ATTY. LUIS MA. G. URANZA**  
Member

**APPROVED BY SENIOR MANAGEMENT, BDO LEASING & FINANCE, INC.**

(Date: August 25, 2022)

  
**MANUEL Z. LOCSIN, JR.**  
President

**DOMINION HOLDINGS, INC.**  
**(formerly BDO LEASING AND FINANCE, INC.)**

**ATTENDANCE FOR THE YEAR 2022**

**REGULAR AND ORGANIZATIONAL BOARD MEETINGS**

Board Members	Position	February 23	March 1	March 11	April 6	April 20 (Organization)	May 11	July 13	August 3	October 26	% (Total # of meetings - 9)
Teresita T. Sy**	Chairperson	✓*	✓*	✓*	✓*	-	-	-	-	-	100%
Jesse H. T. Andres**	Independent Director	✓*	✓*	✓*	✓*	-	-	-	-	-	100%
Ma. Leonora V. De Jesus**	Independent Director	✓*	✓*	✓*	✓*	-	-	-	-	-	100%
Nestor V. Tan**	Director	✓*	✓*	✓*	✓*	-	-	-	-	-	100%
Exequiel P. Villacorta, Jr.**	Director	✓*	✓*	✓*	✓*	-	-	-	-	-	100%
Walter C. Wassmer**	Director	✓*	✓*	✓*	✓*	-	-	-	-	-	100%
Vicente S. Pérez, Jr.****	Independent Director	✓*	✓*	✓*	✓*	✓*	✓*	✓*	-	-	100%
Manuel Z. Locsin, Jr.	President/ Director	✓*	✓*	✓*	✓*	✓*	✓*	✓*	✓*	✓*	100%
Luis S. Reyes, Jr.	Director	✓*	✓*	✓*	✓*	✓*	✓*	✓*	✓*	✓*	100%
Melanie S. Belen***	Director	-	-	-	-	✓*	✓*	✓*	✓*	✓*	100%
Geneva T. Gloria***	Director	-	-	-	-	✓*	✓*	✓*	✓*	✓*	100%
Lazaro Jerome C. Guevarra***	Director	-	-	-	-	✓*	✓*	✓*	✓*	✓*	100%
Elmer B. Serrano***	Chairman	-	-	-	-	✓*	✓*	✓*	✓*	✓*	100%
Ismael G. Estela, Jr.***	Independent Director	-	-	-	-	✓*	✓*	✓*	✓*	✓*	100%
Luis Ma. G. Uianza***	Independent Director	-	-	-	-	✓*	✓*	✓*	✓*	✓*	100%
Rebecca S. Torres*****	Director	-	-	-	-	-	-	-	✓*	✓*	100%

**BOARD AUDIT COMMITTEE**

BAC Members	Position	February 23	April 6	May 11	August 3	October 26	% (Total # of meetings - 5)
Ma. Leonora V. De Jesus**	Chairperson	✓*	✓*	-	-	-	100%
Jesse H. T. Andres**	Independent Member	✓*	✓*	-	-	-	100%
Vicente S. Pérez, Jr.****	Independent Member	✓*	✓*	-	-	-	100%
Ismael G. Estela, Jr.***	Chairman	-	-	✓*	✓*	✓*	100%
Rebecca S. Torres*****	Non-Executive Member	-	-	✓*	✓*	✓*	100%
Luis Ma. G. Uianza***	Independent Member	-	-	✓*	✓*	✓*	100%

\* participated via remote communication

\*\*end of term effective April 20, 2022

\*\*\*elected as Director on April 20, 2022

\*\*\*\*resigned effective July 13, 2022

\*\*\*\*\*appointed as Director effective July 13, 2022



### CORPORATE GOVERNANCE COMMITTEE

Corporate Governance Members	Position	February 23	April 6	May 11	August 3	October 26	% (Total # of meetings - 5)
Jesse H. T. Andres**	Chairman	✓*	✓*	-	-	-	100%
Ma. Leonora V. De Jesus**	Independent Member	✓*	✓*	-	-	-	100%
Vicente S. Pérez, Jr.****	Independent Member	✓*	✓*	✓*	-	-	100%
Luis Ma. G. Uianza**	Chairman	-	-	✓*	✓*	✓*	100%
Ismael G. Estela, Jr.**	Independent Member	-	-	✓*	✓*	✓*	100%
Rebecca S. Torres*****	Non-Executive Member	-	-	-	✓*	✓*	100%

### NOMINATIONS COMMITTEE

Nominations Committee Members	Position	March 8	April 6	July 13	August 3	October 26	% Total # of meetings - 5)
Jesse H. T. Andres**	Chairman	✓*	✓*	✓*	-	-	100%
Ma. Leonora V. De Jesus**	Independent Member	✓*	✓*	✓*	-	-	100%
Vicente S. Pérez, Jr.****	Independent Member	✓*	✓*	✓*	-	-	100%
Ismael G. Estela, Jr.***	Independent Member	-	-	-	✓*	✓*	100%
Luis Ma. G. Uianza****	Independent Member	-	-	-	✓*	✓*	100%
Rebecca S. Torres*****	Non-Executive Member	-	-	-	✓*	✓*	100%

### RELATED PARTY TRANSACTIONS COMMITTEE

Related Party Transactions Committee Members	Position	February 23	August 3	% (Total # of meetings - 2)
Jesse H. T. Andres**	Chairman	✓*	-	100%
Ma. Leonora V. De Jesus**	Independent Member	✓*	-	100%
Exequiel P. Villacorta, Jr.**	Non-Executive Member	✓*	-	100%
Luis Ma. G. Uianza***	Chairman	-	✓*	100%
Geneva T. Gloria***	Non-Executive Member	-	✓*	100%
Ismael G. Estela, Jr.***	Independent Member	-	✓*	100%

### BDOLF RISK MANAGEMENT COMMITTEE

Related Party Transactions Committee Members	Position	August 3	% (Total # of meeting - 1)
Rebecca S. Torres*****	Chairperson	✓*	100%
Luis Ma. G. Uianza***	Independent Member	✓*	100%
Ismael G. Estela, Jr.***	Independent Member	✓*	100%

\* participated via remote communication

\*\*end of term effective April 20, 2022

\*\*\*elected as Director on April 20, 2022

\*\*\*\*resigned effective July 13, 2022

\*\*\*\*\*appointed as Director effective July 13, 2022

CERTIFIED BY:

  
 JOSEPH JASON M. NATIVIDAD  
 Corporate Secretary

	<b>REGULATORY COMPLIANCE MANAGEMENT MANUAL</b>	<b>Doc. Ref. No.</b>	:	RF-CCO-002
		<b>Effective Date</b>	:	November 2019
		<b>Revision No.</b>	:	2
		<b>Page</b>	:	1 of 25

## REGULATORY COMPLIANCE MANAGEMENT MANUAL

	<b>REGULATORY COMPLIANCE MANAGEMENT MANUAL</b>	Doc. Ref. No.	:	RF-CCO-002
		Effective Date	:	November 2019
		Revision No.	:	2
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## I. INTRODUCTION

The Compliance System forms the processes, people, policies and other components that, as an integral unit, ultimately drives the company's initiatives to conform to industry standards and regulations. In this regard, the Regulatory Compliance Management Manual (RCMM) functions as the guiding principle for the implementation of the Compliance System in BDO Leasing and Finance, Inc (the "Company").

The RCMM of BDO Leasing and Finance, Inc shall be applicable and adapted by its own subsidiaries and affiliates to the extent applicable to the business.

In line with the company's initiatives is its commitment to ensure that activities of the company and its personnel are conducted in accordance with all applicable rules and regulations and industry standards, and this commitment to compliance serves to protect the company, its employees, and its customers.

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## II. STATEMENT OF POLICY

BDO Leasing and Finance, Inc., Inc. recognizes that compliance is a function of the Company that is critical for safety and soundness. In this regard, the company states as a policy that:

1. To protect itself, its clients, and the financial system in general, the management shall ensure that BDO Leasing and Finance, Inc.. operates at the highest standard of conduct and meets all regulatory and legal requirements relating to the conduct of its business.
2. Compliance shall be a line-driven function, and, as such, shall be the direct responsibility of each line manager.
3. Each employee shall be personally responsible for familiarizing him/herself with all the laws and regulations applicable or related to his/her work assignment in the Company.

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### III. REGULATORY ENVIRONMENT

Over the years, the Securities and Exchange Commission (SEC) has issued numerous directives in the form of regulations. These are the “laws-of-the-land” and companies in the financing and leasing sector need to comply with the issued regulations under the pain of sanctions for compliance failure.

To actively promote corporate governance reforms aimed to raise investor confidence, develop capital market and help achieve high sustained growth for the corporate sector and the economy, SEC issued Memorandum Circular No.2 (Code of Corporate Governance), series of 2002 dated April 4, 2002. On the said circular, the Board Committee may constitute a compliance unit who will be responsible for coordinating, monitoring and facilitating compliance with existing laws, rules and regulations.

In 2009, SEC issued Memorandum Circular No. 6 (Revised Code of Corporate Governance), series of 2009 dated June 22, 2009 which implemented good corporate governance regime. It has required the appointment of a Compliance Officer who shall supervise the Company's implementation of its Compliance System.

On the other hand, the **Bangko Sentral ng Pilipinas (BSP)** has issued directives in the form of regulations **that regulated entities** need to comply with the issued regulations under the pain of sanctions for compliance failure.

To establish a robust regulatory compliance regime, the BSP issued **Circular No. 145** to regulated entities in October 1997 to implement a “**Compliance System**” and required the appointment/designation of a “**Compliance Officer**” to oversee the implementation of the company's Compliance System.

In May 2004, the BSP issued **Circular No. 429** that defined “**Compliance Risk**” and the responsibilities of the board of directors and senior management on compliance, among others.

In February 2012, BSP issued **Circular No. 747** which was further enhanced thru Circular No. 972 (issued on 22 August 2017), that revises the compliance framework for regulated entities. These circulars require BSP-Supervised Financial Institutions (BSFIs) to establish a compliance risk management system designed to specifically identify and mitigate risks that may erode the franchise value of the BSFI and the appointment of a full time Compliance Officer to oversee the identification and management of the BSFI's compliance risk.

Franchise value may decrease due to risks of regulatory sanctions, material financial loss, loss to reputation as a result of the BSFIs failure to comply with laws, regulatory rules and standards, codes of conduct applicable to its activities and failure to manage conflict of interest.



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Therefore, to reasonably prevent failures to a business line and avoid associated sanctions, the company's management and personnel need to understand, interpret and internalize the relevant regulations and apply them in their daily business processes. The company's workforce should be educated on NBFIs regulations to help them perform their roles and responsibilities in the company's Compliance System.

In May 28, 2013, BSP issued Memorandum No. M-2013-023 that provides the framework for BSP Compliance Rating System (CRS). The CRS will be used by the BSP in assessing the quality of compliance system in their examinations and provide appropriate supervisory actions for noted weaknesses and violations of rules and regulations. BSP's rating based on the CRS will form part of their assessment of the supervised institution's Corporate Governance which in turn shall be factored in the institution's "Management" component of its CAMELS rating.

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#### IV. REGULATORY COMPLIANCE MANAGEMENT MANUAL

To further strengthen the Compliance System of BSP Supervised Financial Institution (BSFI), BSP issued Circular No. 972, Series of 2017, that emphasizes the need for a robust, dynamic and responsive Compliance Risk Management System as an integral part of the culture and risk governance framework of the BSFI.

This regulatory compliance management manual is **HOW** the company:

- Learns about its compliance responsibilities;
- Ensures that company personnel understand their responsibilities;
- Ensures that regulatory requirements are incorporated into the business processes;
- Reviews operations to ensure responsibilities are carried out and requirements are met; and
- Takes corrective action and updates materials, as necessary.

To ensure a successful implementation, the company's Regulatory Compliance Management Manual is anchored on the following major strategies:

- Getting the right information to the right person at the right time.
- Making business line managers the "OWNERS" of business risks in their respective areas and accountable for the consequences when business fails.
- Embedding compliance controls in day-to-day activities procedures as the "best defense" to mitigate business compliance risks.
- Responding to emerging regulations quickly (nimbleness).
- Reviewing existing compliance procedures and effecting policy and procedural enhancements to incorporate changes in regulation or whenever new business lines or activities are added or existing activities, products or services are altered.
- Educating personnel on company's compliance culture, general compliance-risk issues and high-level compliance policies and procedures.
- Maintaining a constructive working relationship with the regulators, company's senior management, and company's business line managers.

When all above strategies are strong and working together, there is reasonable assurance that the company will succeed in managing its compliance responsibilities and risks presently and in the future.

The successful implementation of the company's Regulatory Compliance System hinges on the active interplay of the three essential elements, namely: **PEOPLE, PROCESS** and **TECHNOLOGY**. People "run" the Process; Process "guide" the People; and Technology "supports" the Process.



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## V. MITIGATION OF COMPLIANCE RISKS

According to BSP Circular No. 747 which is further enhanced by Circular No. 972, the compliance risk management shall be designed to specifically identify and mitigate risks that may erode the franchise value of the BSFI, such as, among others:

- a. Risks of legal or regulatory sanctions from the actions of a company that are contrary to existing laws, regulations and identified best practices and reflect weaknesses in the implementation of codes of conduct and standards of good practice;
- b. Risks to reputation that arise from internal decisions and practices that ultimately impinge on the public's trust of a company such as failure to manage conflict of interest, treat customers fairly or effectively manage risks arising from money laundering and terrorist financing ;
- c. Legal risks to the extent that changes in the interpretation or provisions of regulations directly affect a company's business model.

Preventing exposure to compliance risks is the key element of the company's management of compliance risks. This can be accomplished through a holistic approach that includes the three (3) general steps, to wit:

- Step 1 -* Identify sources of compliance risks.
- Step 2 -* Assess the likelihood (probability of the risk event happening) and the potential damage (impact or severity) if the risk event materializes.
- Step 3 -* Manage compliance risks.

### A. Risk Identification

Compliance risk may arise from (a) people risk; (b) process risk; (c) system/technology support risk; and (d) regulatory changes risk, individually or a combination thereof:

#### a. People Risk:

- ⌘ Inadequate knowledge of regulations and its requirements, and risk management
- ⌘ Failure to perform prescribed control processes
- ⌘ Neglecting historical information on identified risk areas, products, or services

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**b. Process Risk:**

- ⌘ Failure to consider one of more of the basic factors that constitute an efficient process (materials, equipment, method, environment, people)
- ⌘ Non-inclusion of fulfillment of regulatory requirements in documented processes
- ⌘ Lack of regular review of documented processes
- ⌘ Lack of formal process for reviewing and approving new or unique or sophisticated products and services at inception
- ⌘ Lack of formal process for monitoring compliance with existing/applicable rules and regulations for existing products and services

**c. System and/or technology Risk:**

- ⌘ Failure to address identified regulatory compliance gaps, e.g. policy and procedures circulars, automated systems, etc.
- ⌘ Failure to conduct the necessary testing of functionality and security controls
- ⌘ Failure to plan for capacity, maintenance, and upgrades

**d. Regulatory Changes Risk:**

- ⌘ Failure to track regulatory changes in products and services (e.g. obsolete or superseded provisions still being implemented)
- ⌘ Failure to assess business risks when new business lines or activities are added or when existing activities and process are altered
- ⌘ Failure to disseminate regulation information quickly

**B. Assessing Compliance Risk**

After having identified the major sources of compliance risk, the next step is to answer the questions “How critical are the risks?” and “How vulnerable is the company to the risk sources?”

There is no doubt that each major source of risk represents a critical factor to be reckoned with to prevent compliance risks. Needless to say, a failure in one factor may jeopardize and weaken the entire compliance risk management framework and put the company in a penalty situation.

All major risk sources are assessed as “HIGH RISK” areas requiring a sustained monitoring effort to ensure that the infrastructure supports are in place and operating as intended.

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### **C. Managing and Controlling Compliance Risks**

To reasonably manage and control compliance risks:

- Regulatory information should be disseminated quickly to users via the available information channels, e.g. email, bulletins, portal;
- Board and senior management must also be advised on significant and sensitive relevant laws, rules and standards and keep them informed on developments in the area;
- Stakeholders should actively participate;
- Existing policies and procedures should be reviewed and revised promptly to incorporate the effects of new or amended regulatory provisions, new products/services to be introduced, alterations to existing products/services;
- The adequacy and effectiveness of the business systems and technology supports should be evaluated regularly;
- Company personnel should be given a formal education on regulatory compliance matters (compliance training);
- There should be a constant review and monitoring of compliance with regulations at the process, product, company service or business lines levels (off-site or on-site) and prompt communication of compliance breaches to the appropriate points in the organization for action; and
- Sensitive compliance issues should be immediately elevated to senior management for decision and disposition.

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## VI. RESPONSIBILITIES FOR COMPLIANCE

### A. Board of Directors

The Board of Directors oversees the implementation of the Compliance System and ensures that compliance issues are resolved expeditiously (*Ref. BSP Cir. Nos. 747 and 972*). These include approving the company's Compliance Program for managing the company's compliance risks; ensuring that BSFI personnel and affiliated parties adhere to pre-defined compliance standards.

#### **BOARD AUDIT COMMITTEE**

BSP Circular Nos. 747 and 972 further emphasizes the need for the Board of Directors to ensure that a Compliance Program is defined for the company and that compliance issues are resolved expeditiously. The company's Board Audit Committee (BAC), a board level committee, is tasked to oversee the Compliance Program. Changes to the Compliance Program must be approved by the BAC.

### B. Senior Management

Senior Management, the collective body of business owners responsible for achieving compliance, ensures that personnel and affiliated parties adhere to the Compliance Program of the company. It reports to the Compliance Officer matters that affect the implementation of the Compliance Program, and ultimately, the design of the Compliance System.

### C. Compliance Officer

The Compliance Officer (CO) is the lead senior officer for purposes of administering the Compliance Program and interacting with the BSP on compliance related issues. The principal function of the CO is to oversee the design of an appropriate Compliance System, promote its effective implementation and address breaches that may arise. Any material breaches of the system shall be reported to the BAC and promptly addressed within the mechanisms defined by the Compliance System. The CO shall also be responsible for ensuring the integrity and accuracy of all documentary submissions to the BSP. (*Ref. BSP Cir. No. 747 and 972*)

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#### **D. Business Line Managers**

The business line managers continue to “own” the compliance risk in their respective areas of responsibility. They are responsible for achieving compliance with applicable regulatory requirements within their business lines and to answer for the consequences in the event of compliance failures.

This level of officers has the responsibility of implementing the risk management processes, policies and procedures and monitoring the effectiveness of the risk management activities in their own business areas. They can recommend changes or improvements to the compliance risk management framework as warranted by circumstances.

#### **E. Support and Delivery Units**

The role of support and delivery units is to provide the tools and services that complement the business units in implementing the Compliance System. They shall be responsible for issuance of guidelines and procedures, implementation and management of applications to support manual processes, provide guidelines on risk management, and implement controls to comply with various applicable regulations including anti-money laundering.

#### **F. Unit Compliance Coordinators**

They are the officers or staff within the business lines that exercise compliance responsibilities to help keep the business line organization (to which they belong to) focused on managing business risks. They are tasked with implementing the approved policies and procedures in their respective work assignments, e.g. performing prescribed control procedures. Please refer to the succeeding section for their specific responsibilities (*Ref. VII.B.2*)

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## VII. COMPLIANCE FUNCTION IN THE COMPANY

### A. Objectives

1. To identify the relevant laws and their implementing rules and regulations directly affecting the company's operations;
2. To identify, analyze, classify and prioritize the corresponding risks for non-compliance with relevant laws and regulations affecting the company's operations;
3. To set in place a monitoring system on the company's compliance with applicable laws, rules and regulations, which will include a system of periodic compliance monitoring and regular reporting on the compliance findings to higher management;
4. To ensure that company officers and staff are made aware of the compliance function and their respective compliance responsibilities; and
5. To set up a central compilation point of all relevant and applicable laws, rules and regulations to the company's operation.

### B. Compliance Function Structure

#### 1. Compliance Office

The institutional role of the Compliance Office is to assist senior management in managing effectively the compliance risks faced by the Company.

#### **Authorities and Duties of the Compliance Office**

The company's Compliance Office, in the exercise of its authorities, shall have the following duties, which may be expanded and supplemented from time to time upon the approval of the Board of Directors taking into account the needs and objectives to be served and/or may be mandated by the government regulatory bodies:

- i. Oversee and coordinate the proper and efficient implementation of the company's Compliance Program;
- ii. Assist in identifying, monitoring and controlling compliance risks as defined by the Securities and Exchange Commission (SEC), Bangko Sentral ng Pilipinas (BSP) or other government regulatory bodies;
- iii. Provide appropriate guidance and direction to the company's management on the development, implementation and maintenance of the company's Compliance Program;
- iv. Conduct periodic compliance testing with applicable legal and regulatory requirements in accordance with the company's Independent Compliance Testing Framework (Annex B) and report to the Board Audit Committee the findings and results of these periodic testings;

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- v. Cause the investigation of the breaches and any possible breaches in any aspect of the company's Compliance Program, pertinent laws, rules, regulations, codes of conduct and standards of good practice;
- vi. Report to the Board Audit Committee any matters relevant to the company's Compliance Program and its implementation, as well as material breaches in the pertinent laws, rules, regulations, codes of conduct and standards of good practice;
- vii. Establish an open communication process with the company's personnel and/or conduct trainings, seminars and workshops as may be deemed necessary and proper to educate and update the company's personnel on compliance matters, pertinent laws, rules, regulations, codes of conduct and standards of good practice;
- viii. Consult government regulatory bodies, agencies to clarify ambiguous provisions of enacted laws or issued rules and regulations which would affect the company's Compliance Program;
- ix. Exercise oversight responsibility over compliance-related activities which have been outsourced and ensure compliance consistent with the company's Compliance Program; and
- x. Timely submit compliance and other related reports as may be required by the laws, rules, regulations, circulars or directives issued by the government regulatory bodies.

#### **Independence of the Compliance Office**

BSP Circular Nos. 747 and 972 provides that the compliance function should be independent from the business activities of the institution. It should be able to carry out its responsibilities on its own initiative in all units or departments where compliance risk exists and must be provided with sufficient resources to carry out its responsibilities effectively. It must be free to report to senior management and the board or a committee of the board any irregularities or breaches of laws, rules and standards discovered. The compliance function should have access to all operational areas as well as any records or files necessary to enable it to carry out its duties and responsibilities.

In this regard, the Compliance Office shall be under the direct supervision of the Board Audit Committee. All concerns, matters, and needs of the Compliance Office to enable it fulfill its responsibilities shall be expeditiously attended to and addressed.

On its own initiative, with or without directive from the Board Audit Committee or senior management of the company, the Compliance Office may carry out its functions by conducting investigations or audit, with or without the aid of other supporting units of the company, to ensure the proper and efficient implementation of the Compliance Program.

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Furthermore, reports and recommendations made by the office to the Board Audit Committee shall remain strictly confidential to ensure it is freed from retaliation and disfavor from affected parties in the performance of its responsibilities and function.

### **Oversight of BDO Unibank, Inc.**

The Compliance Office of BDO Unibank, Inc. (BDO) as parent bank, oversees the compliance function of the Company through alignment of compliance policies, standards and methodologies. Significant compliance issues and matters in the Company are reported likewise to BDO Unibank's Board Audit Committee, when necessary.

For effective oversight, Compliance Office has separate units that oversee the subsidiaries, foreign branches and representative offices. These are the following:

- (1) Global Offices and Non-Banking Financial Institutions (NBFI) - oversees the regulatory compliance of global and domestic non-bank subsidiaries and foreign representative offices of BDO.
- (2) Anti-Money Laundering Unit (AMLU) - oversees the AML compliance of all subsidiaries and foreign branches of BDO

### **2. Unit Compliance Coordinators**

Each of the company's operating and service units shall have its own compliance coordinator. However, the responsibility for compliance still rests on the Head of the unit.

The designated Unit Compliance Coordinator shall be responsible for the following:

- ⬆ Ensuring that the unit has a complete and updated compilation of all laws and issuance by the government regulatory bodies affecting the operations of the unit
- ⬆ Ensuring that the officers and staff of the unit have been familiarized and fully knowledgeable of the laws, policies, regulations and ethical standards applicable or related to their respective work assignments in the unit
- ⬆ Monitoring the unit's compliance with laws, policies, regulations and ethical standards affecting the unit's operations

BDOLF has compliance officer that performs the same function that work under the supervision of and in coordination with the BDO Compliance Office.

Please refer to Annex A for the Corporate Compliance structure.



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### 3. Relationship of Compliance Office with Other Control Functions

As prescribed in the Company's Information Sharing Framework (Annex C), close coordination among independent control functions - Compliance Office, Internal Audit and Risk Management Unit through sharing of information that each unit obtains in the performance of its delineated functions, aims to strengthen BDOLF's risk management. Internal Audit and Risk Management Unit shall render support and establish working relationship with the Compliance Office consistent with the proper and efficient implementation of the company's Compliance Program and Information Sharing Framework:

- ☐ **Internal Audit** – May conduct further probing on information on possible violation of the company's Compliance Program, pertinent laws, rules, regulations, codes of conduct and standards of good practice. Reports, data and analysis previously obtained by the Internal Audit may be used and relied upon by the Compliance Office.
- ☐ **Risk Management Unit** – Shall support Compliance Office in ensuring that regulatory requirements related to Credit Risk, Market Risk and Operational Risk are identified, measured, monitored and managed. Reports, data and analysis made by Risk Management Unit may be used and relied upon by the Compliance Office.

The following units shall also render support to Compliance Office as follows:

- ☐ **Legal Services** – Shall render the appropriate support and advice on all legal-related compliance matters, such as but not limited to the interpretation of the provisions as well as the applicability of the company's Compliance Program, pertinent laws, rules, regulations, codes of conduct and standards of good practice.
- ☐ **Information Technology** – Shall provide the system – related support in the performance of the Compliance Office's responsibilities to the company and to the government regulatory bodies.

The foregoing, however, shall not be taken to limit the Office of the Compliance Office to seek the assistance of other units of the Company. The Office of the Compliance Office may at any time seek the assistance of any unit of the company as may be needed for the proper and efficient implementation of the company's Compliance Program, which assistance shall be expediently given.

### 4. The Compliance Office Organization

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Please refer to Annex A for the Organization Table of the BDO Leasing and Finance Inc.'s Compliance Office.

The Compliance Office is manned by Compliance Officers.

Functionally the Compliance Office reports to the Board Audit Committee, but administratively it reports to the Office of the President and to the Chief Compliance Officer of BDO Unibank Inc.

### **C. Compliance Program**

The Compliance Program serves as the strategic guide that describes the processes and tools that enable the Compliance Office to efficiently manage the company's Compliance System.

#### **1. Analysis of the Regulatory and Corporate Environment**

One of the major drivers of change in business is regulations. New laws often change how business is conducted. In this regard, it is important that the implementation of change should consider corporate practices of the company, complexity of operations, and business strategy – determining applicable regulations, identifying areas where business risks may occur, and assessing the impact of such change shall ensure swift transition.

##### **a. Identification of Relevant Laws, Rules, and Regulations**

The Compliance Office shall identify and compile all laws, implementing rules and regulations, circulars and similar issuance from the various regulatory bodies that the company, as a whole, and each of its business and operating units are required to observe.

##### **b. Gap Analysis**

For major laws and regulations which have significant impact on the present state of the company, the Compliance Office, in coordination with the business and support units, shall assess the impact of new regulations on how business is conducted. The effect of non-compliance to rules shall be identified in order to guide business and support units on how to proceed with the change.

#### **2. Guidance of Stakeholders on Relevant Laws, Rules, and Regulations**

A critical success factor for regulatory compliance is keeping company personnel well educated on regulatory matters. This will help them understand and appreciate their compliance responsibilities and their roles in the company's business risk management system.

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#### **a. Communication**

To achieve this end, the Compliance Office undertakes to immediately disseminate/broadcast to all users concerned the copies of all regulatory issuance received by it, or download from the regulatory websites, through the traditional and electronic communication channels available, (e.g. mail), through the issuance of Compliance Bulletins and posting in the company's electronic portal. Correspondences to and from BDO Leasing and Finance Inc's Compliance Office may also be coursed through the Compliance Officer's email address.

Sensitive compliance – related matters/issues shall be elevated to the proper level of senior management, or to the Board, if necessary, for disposition.

The Compliance Office will seek clarification from the regulators concerned for any rules, or provisions thereof, which appear ambiguous. The clarification will then be broadcast through existing communication channels.

The communication flow of the compliance information shall be (a) downwards when disseminating compliance information; (b) upwards when elevating compliance issues to higher management; and (c) lateral when circulating the compliance materials between and among the co-employees in the same unit.

At the level of the business units, the unit heads are expected to brief their respective unit officers and staff on the new or amended regulatory issuance during their regular staff meetings.

#### **b. Reference Portal**

The Compliance Office shall maintain and update a central repository of laws, rules and regulations received and downloaded from the regulators' websites in hardcopy and electronic formats. These materials will be made available upon request (for hardcopy reproduction) or can be viewed on demand in the company's electronic documents portal (for the electronic copies).

#### **c. Training**

Knowledge and awareness by all employees of the laws, rules and regulations pertaining to their respective job description are essential to the success of the Compliance Program. To ensure sufficient awareness, training on regulatory compliance shall be conducted regularly for company personnel. New hires shall be made aware of the compliance function during their employment briefing or orientation.

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In support of this initiative, the Compliance Office may develop (and update) the training syllabus on regulatory compliance in coordination with the BDO Unibank's Training unit and other concerned units and occasionally participate in or conduct the training sessions.

In addition, the Compliance Office may also avail of external trainings and cascade learnings to BDOLF personnel.

All the above efforts are aimed at mitigating the risk of "information starvation" by providing the company personnel with reasonably adequate information and knowledge to guide them in the performance of their daily responsibilities.

### **3. Assessment of Compliance Office**

The Compliance Office shall do a periodic assessment of the respective business and support units to determine their compliance to relevant laws, rules and regulations affecting the company's operation, in accordance with the Company's Independent Compliance Testing Framework (Annex B).

Consistent with the Independent Compliance Testing Framework, Compliance shall rely on the independent tests done by other assessment units of the Company which are not implementing the regulations, either as inputs to the compliance test by Compliance Office or sufficient representative compliance testing, to determine the unit's compliance to the relevant regulatory requirements. Compliance Office shall focus its independent compliance tests on areas where independent testings/checkings are not performed by other assessment units, on prioritization basis, using the following criteria and references:

- 1) high risk or significant areas which may expose the company to sanctions and/or penalties;
- 2) new regulations which are of group-wide/company-wide application;
- 3) industry issues;
- 4) major issues from BSP examination, internal and external audits;
- 5) results of company cases reviews.

### **4. Reporting and Remediation**

Upon assessment of the compliance of business or support units to regulations, gaps between regulatory requirements and current business practices are identified, reported to concerned stakeholders – including regulatory agencies, and then addressed and monitored until completion.

#### **a. Recommending Controls, Policies, and Guidelines**

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The Compliance Office, upon assessment of compliance, will recommend to the concerned business or support unit, the development and implementation of controls – including issuance of corresponding policy guidelines for immediate dissemination, if none are existing, or the revision of existing policies and control processes to conform to the amended regulations. This is in furtherance of the overall efforts to keep the company's controls current, and policies as relevant sources of information and guidance. Importantly, this will mitigate the risk of obsolete or superseded materials used as guidelines in the operation of the company.

When the situation warrants, the Compliance Office can draft the policy guidelines to respond to new or amended regulations. The draft will then be submitted to the business or support unit concerned for further evaluation, approval and eventual issuance as an institutional policy following the established approval process for institutional policies and procedures.

#### **b. Constructive Working Relationship with Regulatory Agencies**

The company, through its Compliance Officer, may consult regulatory agencies for additional information on specific provisions of laws and regulations and/or discuss compliance findings with the regulatory authorities. A dialogue may also be initiated with respect to borderline issues.

The Compliance Office is expected to foster and maintain a warm and friendly working relationship with all the regulators that have jurisdiction over the company in order to facilitate the prompt processing of the company's requirements, e.g. requests for approval to engage in certain activities or offer financial products, among others. On the other hand, the company is also expected to act swiftly on the regulators' requirements for information and/or desired action.

### **5. Monitoring and Assessment of the Compliance Function**

As part of its function, the Internal Audit is tasked with monitoring and assessing the effectiveness of the compliance function of the company. In particular, the Internal Audit shall review the periodic compliance testing performed by the Compliance Office and determine if the business or support units concerned have properly resolved outstanding compliance issues discovered or raised. The Internal Audit can also recommend enhancements in the implementation of the compliance function in general.

### **6. Program Review and Updates**

	<b>REGULATORY COMPLIANCE MANAGEMENT MANUAL</b>	<b>Doc. Ref. No.</b>	:	RF-CCO-002
		<b>Effective Date</b>	:	November 2019
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The Compliance Office reviews and updates the company's Compliance Program, as needed, to incorporate changing responses to evolving internal and external conditions. (*Ref. BSP Cir. No. 747 and 972*)

The updated or amended Compliance Program shall be submitted by the Compliance Office to the Board Audit Committee for approval and confirmation by the Board of Directors.

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## VIII. REGULATORY EXPECTATIONS

*“What do the examiners look for when they examine BSFIs for compliance?”* Examiners no longer focus solely at the level of compliance with specific laws and regulations but on the adequacy of the business risk management program of the company and the company's ability to manage the business risk it faces.

As with all areas of risk management, the scope of examination in this area put emphasis on:

- Whether the board and senior management are actively involved in “setting the tone at the top”, i.e. the board takes the lead by requiring top-to-bottom compliance culture that is incorporated in the company's day-to-day operations and well communicated so that all company staff members understand their compliance responsibilities and their roles.
- Soundness of business risk policies, procedures and internal controls in the company, i.e. policies clearly delineate accountability and lines of authority across the company; process for ensuring that identified compliance breaches are elevated to the appropriate level in the organization; policies and procedures are kept current;
- Whether the company's Compliance Program is designed to monitor and report compliance issues, i.e. ensure that information on compliance is communicated to the appropriate levels within the company.
- Whether the company's training programs ensure that compliance policies, procedures and controls are well understood and appropriately communicated throughout the company.

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## IX. HANDLING OF “ON-SITE” REGULATORY EXAMINATIONS

The Compliance Office will coordinate activities related to “on-site” examination of regulators to include:

- ✓ Arranging meetings between the examination team and company officials and designated unit point persons, e.g. pre-audit, during the engagement and post-audit conferences.
- ✓ Coordinating with the proper units of the company for the provision of logistical and technological support needed by the examination team during their audit engagement, e.g. workplace, computers, printers, telephones, etc.
- ✓ Disseminating examination advance findings to the proper units of the company for response.
- ✓ Collecting and collating responses to advance examination findings preparatory to preparing the consolidated report for internal review.
- ✓ Preparing the consolidated report on the company responses to the examination findings preparatory to the presentation to the Board for approval.
- ✓ Transmitting to the regulatory agency the approved consolidated report on the company responses to the examination findings.
- ✓ Monitoring and reporting the status of committed actions to rectify the examination finding until all the action items shall have been finally closed.
- ✓ Acting as liaison between the examination team and the company for other requirements of the examination team during their visit to the company.



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## **X. Consumer Protection**

With the issuance of the circular on Financial Consumer Protection Framework (BSP Circular No. 857, dated 21 November 2014), the BSP has outlined its expectations from supervised financial institutions in the conduct of its business while continually protecting the welfare of financial consumers.

In order to reduce BDOLF's exposure to regulatory risk, and to ensure compliance with the provisions of Circular No. 857, the Compliance Office shall apply the Compliance Program in Annex D with emphasis on the Five Consumer Protection Standards:

- 1) Disclosure & Transparency
- 2) Fair Treatment
- 3) Privacy of Information
- 4) Financial Education and Awareness
- 5) Effective Recourse

### **Responding to Customer Complaints**

Consistent with the company's policy, complaints addressed to or referred to the Compliance Office will be fully and promptly investigated, resolved and responded to within a reasonable period of time.

Business-specific complaints will be referred to the company unit concerned for investigation and resolution. Complaints indicative of possible irregularities, misconduct by staff or weaknesses in internal controls will be referred to the Cases Review Committee for investigation. Legal services will be sought for issues requiring legal consultation, advice or opinion to protect the interest of the company and its stakeholders. Complaints involving sensitive matters will be escalated to senior management for decision on disposition. Responding to complaints remains the responsibility of the Head of the unit to whom the complaint was referred to for action.

A complaint received by any reasonable means, e.g. letter, telephone, facsimile (FAX), email or in person will be handled fairly, consistently and promptly. Even if a complaint is anonymous, any problem alleged by the complainant and substantiated by an investigation should be rectified as soon as practicable.

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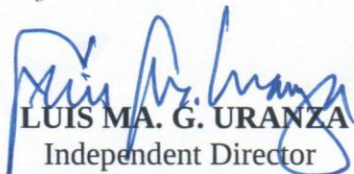
## **XI. Consumer Protection Compliance Program**

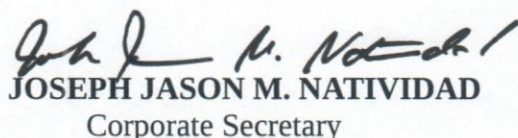
With the issuance of the circular on Financial Consumer Protection Framework (BSP Circular No. 857, dated 21 November 2014), the BSP has outlined its expectations from supervised financial institutions in the conduct of its business while continually protecting the welfare of financial consumers.

**Dominion Holdings, Inc.**  
**2022 Integrated Annual Corporate Governance Report (I-ACGR)**

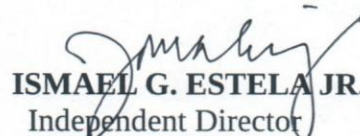
IN WITNESS WHEREOF, we have hereunto set our hands this MAY 16 2023 day of \_\_\_\_\_, 2023, at  
MANDALUYONG CITY, Philippines.

  
**ELMER B. SERRANO**  
Chairperson

  
**LUIS MA. G. URANZA**  
Independent Director

  
**JOSEPH JASON M. NATIVIDAD**  
Corporate Secretary

  
**MANUEL Z. LOCSIN JR.**  
President

  
**ISMAEL G. ESTELA JR.**  
Independent Director

  
**KATHERINE U. RESARI**  
Compliance Officer

SUBSCRIBED AND SWORN to before me this MAY 16 2023, affiants exhibiting to me competent proofs of their identity, to wit:

**Affiant**

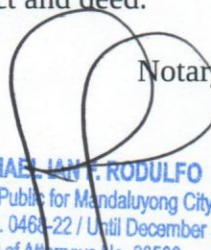
Elmer B. Serrano  
Manuel Z. Locsin Jr.  
Luis Ma. G. Uianza  
Ismael G. Estela Jr.  
Katherine U. Resari  
Joseph Jason M. Natividad

**Competent Evidence of Identity**

Passport No. [REDACTED] valid up to April 18, 2032  
Passport No. [REDACTED] valid up to January 9, 2028  
Passport No. [REDACTED] valid up to August 15, 2028  
SSS No. [REDACTED]  
Passport No. [REDACTED] valid until September 22, 2029  
Passport No. [REDACTED] valid until October 5, 2028

known to me and to me known to be the same persons who executed the foregoing instrument and acknowledged to me that the same is their free and voluntary act and deed.

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Series of 2023

  
Notary Public  
**MICHAEL IAN F. RODULFO**  
Notary Public for Mandaluyong City  
Appointment No. 0468-22 / Until December 31, 2023  
Roll of Attorneys No. 60508  
MCLE Compliance No. VII-0014851



REPUBLIC OF THE PHILIPPINES )  
CITY OF MAKATI ) SS.

**SECRETARY'S CERTIFICATE**

I, **JOSEPH JASON M. NATIVIDAD**, Filipino, of legal age and with office address at the 21<sup>st</sup> Floor, BDO Towers Valero, 8741 Paseo de Roxas, Salcedo Village, Makati City, under oath, do hereby certify that:

1. I am the duly appointed Corporate Secretary of **DOMINION HOLDINGS, INC., formerly BDO Leasing and Finance, Inc. (DHI)**, a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with business address at the 39th Floor, BDO Corporate Center Ortigas, No. 12 ADB Avenue, Ortigas Center, Mandaluyong City, and in that capacity, I have custody of the corporate records of DHI;

2. Based on the records, at the duly constituted meeting of the Board of Directors of DHI held on May 10, 2023 at which a quorum was present and acting throughout, the following resolution was unanimously passed and approved:

**"RESOLVED**, That the Board of Directors of Dominion Holdings, Inc. (DHI) approve, as it hereby approves, the 2022 SEC Integrated Annual Corporate Governance Report (I-ACGR) of DHI, as approved under CG Resolution No. 2023-06 of the Corporate Governance Committee adopted on May 10, 2023, and which reads as follows:

"CG Resolution No. 2023-06

**RESOLVED**, That the Corporate Governance Committee of Dominion Holdings, Inc. (DHI) hereby approves and recommends for approval of the Board of Directors, the 2022 SEC Integrated Annual Corporate Governance Report (I-ACGR) of DHI, copy of which is attached as Annex "B" to the Minutes and made an integral part of this Resolution."

3. Chairman Elmer B. Serrano; Independent Directors Ismael G. Estela, Jr. and Luis Ma. G. Uianza; Directors Melanie S. Belen, Geneva T. Gloria, Lazaro Jerome C. Guevarra, Manuel Z. Locsin, Jr., and Rebecca S. Torres were present at the meeting and favorably voted to approve the 2022 I-ACGR, while Director Luis S. Reyes, Jr. was not in attendance.

4. The above-quoted resolution has not been revoked or rescinded and continues to be in full force and effect; and

5. I am executing this certificate for whatever legal purpose it may serve. MAY 18 2023


**IN WITNESS WHEREOF**, I have hereunto affixed my signature this \_\_\_\_ day of \_\_\_\_\_ at Makati City, Philippines.

  
JOSEPH JASON M. NATIVIDAD  
Corporate Secretary  
MAY 18 2023

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_ day of \_\_\_\_\_ at Makati City, affiant exhibiting to me his Passport No. [REDACTED] issued at DFA-Manila with validity up to October 5, 2028.

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Book No. III  
Series of 2023.

**Dominion Holdings, Inc.**  
39/F BDO Corporate Center Ortigas  
12 ADB Avenue  
Ortigas Center  
Mandaluyong City 1555  
Philippines  
Tel +632 8688-1288 loc. 36509, 45469, 36151

  
Atty. **ALEJANDRO M. TUPAS, III**  
Appointment No. M-212; Notary Public until 31 December 2023  
Roll No. 55349; IBP Lifetime Member No. 013125, Quezon City  
PTR No. 9566763, 03 January 2023, Makati City  
MCLE Compliance No. VII-0011590, 28 February 2022  
21/F, BDO Towers Valero, 8741 Paseo de Roxas,  
Salcedo Village, Makati City