

TRAVELLERS



INTERNATIONAL

TRAVELLERS INTERNATIONAL HOTEL GROUP, INC.

**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT (SEC FORM – I-ACGR)
FOR THE YEAR 2018**

10th Floor, Newport Entertainment Commercial Centre Building, Newport Boulevard
Newport Cybertourism & Economic Zone, Pasay City



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **2018**
2. SEC Identification Number **CS200342649** 3. BIR Tax Identification No. **246-099-058-000**
4. Exact name of issuer as specified in its charter **TRAVELLERS INTERNATIONAL HOTEL GROUP, INC.**
5. **Philippines**
Province, Country or other jurisdiction of incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. **10F Newport Entertainment & Commercial Centre**
Newport Boulevard, Newport Cyber tourism Economic Zone
Pasay City, Philippines **1309**
Address of principal office Postal Code
8. **(02)908-8000**
Issuer's telephone number, including area code
9. **N/A**
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	Please refer to Section 2.3 (b), page 3 of the Company's Manual of Corporate Governance which can be found in this link: http://edge.pse.com.ph/openDiscViewer.do?edge_no=b7cae10e969ab50e3318251c9257320d#sthash.quhxiP7D.dpbs	
2. Board has an appropriate mix of competence and expertise.	Compliant		
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant		
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Compliant	Six out of the seven incumbent members of the Board are non-executive directors.	
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	Please refer to Section 2.3 (n), pages 22 to 23 of the Company's Manual of Corporate Governance.	
2. Company has an orientation program for first time directors.	Compliant		

3. Company has relevant annual continuing training for all directors.	Compliant		
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	Please refer to Section 2.3 (b) page 3 of the Company's Manual of Corporate Governance.	
Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	Compliant	<p>Please refer to Section 2.3 (b) page 3 of the Company's Manual of Corporate Governance.</p> <p>Also, please refer to:</p> <p>http://www.travellers.com.ph/board-of-directors/</p>	
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	Please refer to Section 2.6, page 25 of the Company's Manual of Corporate Governance.	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant	Atty. Emmanuel C. Paras is the Corporate Secretary of the Company. He is a separate individual from the Compliance Officer and he is not a member of the Board of Directors. He annually attends the training on corporate governance.	
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		
4. Corporate Secretary attends training/s on corporate governance.	Compliant		
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	Compliant	Materials for board meetings are distributed at least five business days before the scheduled meeting.	

Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	Please refer to Section 2, page 1 of the Company's Manual of Corporate Governance. Mr. Bernard Than Boon Teong is the Compliance Officer of the Company with the rank of Senior Vice President. He is not a member of the Board. He annually attends the training on corporate governance.	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant		
3. Compliance Officer is not a member of the board.	Compliant		
4. Compliance Officer attends training/s on corporate governance.	Compliant		
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	Please refer to Section 2.3 (h) (iii), Page 12 of the Company's Manual of Corporate Governance.	
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	Please refer to Section 2.3 (g), Page 9 of the Company's Manual of Corporate Governance.	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant		
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	Please refer to http://www.travellers.com.ph/vision-mission-and-values/ .	

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2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compliant	Please refer to Section 2.3 (g), Page 9 of the Company's Manual of Corporate Governance.	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	<p>Please refer to Section 2.4 (a), pages 23 to 24 of the Company's Manual of Corporate Governance.</p> <p>Mr. David Chua Ming Huat is the incumbent Chairman of the Board. He was the former President of Genting Hong Kong Limited (GHK) and was also a director of Norwegian Cruise Line Holdings Ltd., a company listed on the NASDAQ Global Select Market. Prior to that, he held key management positions in various international securities companies in Malaysia, Singapore and Hong Kong with extensive knowledge in the management of securities, futures and derivatives trading, asset and unit trust management, corporate finance and corporate advisory business. He was a director and member of the Listing Committee of the MESDAQ market of Bursa Malaysia Securities Berhad. He has a Bachelor of Arts degree in Political Science and Economics from the Carleton University in Ottawa, Canada.</p>	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	Please refer to Section 2.3 (g), page 10 of the Company's Manual of Corporate Governance.	

2. Board adopts a policy on the retirement for directors and key officers.	Compliant		
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	Please refer to Section 2.3 (g), page 11 of the Company's Manual of Corporate Governance.	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant		
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	Compliant	Please refer to Article II, Section 7 of the Company's By-Laws.	
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	Please refer to Section 2.3 (g), page 11 of the Company's Manual of Corporate Governance.	
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	Please refer to Section 2.3 (c) and (d) on pages 4 – 7; Section 2.3 (e) on Pages 7 – 9; Section 2.3 (m) (i) on Page 15; and Section 3.5 on Page 31 of the Company's Manual of Corporate Governance.	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		

3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant		
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant		
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		
Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.	Compliant	The Company has engaged the services of professional search firms.	
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	Please refer to Section 2.3 (g) on page 10; Section 2.3 (m) (vii) on pages 21 - 22 of the Company's Manual of Corporate Governance.	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant		

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<p>3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.</p>	<p>Compliant</p>		
Supplement to Recommendations 2.7			
<p>1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.</p>	<p>Compliant</p>	<p>Please refer to Section 2.3 (g) on page 10; Section 2.3 (m) (vii) on pages 21 - 22 of the Company's Manual of Corporate Governance.</p>	
<p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p>	<p>Compliant</p>	<p>Please refer to Article I, Section 6 of the Company's By Laws</p>	
Recommendation 2.8			
<p>1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>Compliant</p>	<p>Please refer to Section 2.3 (g), page 9 of the Company's Manual of Corporate Governance.</p>	

<p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>Compliant</p>	<p>Please refer to Section 6, page 33 of the of the Company's Manual of Corporate Governance.</p>	
<p>Recommendation 2.9</p>			
<p>1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.</p>	<p>Compliant</p>	<p>Please refer to Section 2.3 (g) pages 9 to 11 of the Company's Manual of Corporate Governance.</p>	
<p>2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.</p>	<p>Compliant</p>		
<p>Recommendation 2.10</p>			
<p>1. Board oversees that an appropriate internal control system is in place.</p>	<p>Compliant</p>	<p>Please refer to Section 2.3 (i), page 13 of the Company's Manual of Corporate Governance.</p>	
<p>2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.</p>	<p>Compliant</p>		

3. Board approves the Internal Audit Charter.	Compliant	Please refer to Section 2.7 (a), page 26 of the Company's Manual of Corporate Governance.	
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	Please refer to Section 2.3 (m) (vi), page 20 and Section 2.3 (i), page 13 of the Company's Manual of Corporate Governance.	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant		
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	The Company's Manual on Corporate Governance serves as the Company's Board Charter. Please refer to http://www.travellers.com.ph/corporate-governance/	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant		
3. Board Charter is publicly available and posted on the company's website.	Compliant		
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	Compliant	Please refer to Section XI page 11 of the Company's Code of Business Conduct and Ethics: http://www.travellers.com.ph/code-of-business-conduct-and-ethics/	

Optional: Principle 2

1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.	Compliant	<p>The Company's Audit Committee oversees the internal procedures to provide a system of checks and balances to safeguard the Company's resources and prevent fraud.</p> <p>Please refer to Section 2.3 (m) (iii), page 16 of the Company's Manual of Corporate Governance.</p> <p>Should the Board decide to extend a loan to any of the Members of the Board, it shall apply the Arm's length principle to ensure that transactions are entered into on terms comparable to those available from unrelated third parties.</p> <p>The presence of a director involved in a related party transaction should not be counted in the determination of quorum.</p>	
2. Company discloses the types of decision requiring board of directors' approval.	Compliant	Please refer to Section 4, page 31 of the Company's Manual of Corporate Governance.	

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	Please refer to Section 2.3 (m), pages 15-22 of the Company's Manual of Corporate Governance.	
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Recommendation 3.2			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	Compliant	Please refer to Section 2.3 (m) (iii) pages 16 - 18 of the Company's Manual of Corporate Governance.	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	Please refer to Section 2.3 (m) (iii), page 16 of the Company's Manual of Corporate Governance.	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	Please refer to Section 2.3 (m) (iii), page 16 of the Company's Manual of Corporate Governance.	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	Please refer to Section 2.3 (m) (iii), page 16 of the Company's Manual of Corporate Governance.	
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	Please refer to Section 2.3 (m) (iii), page 17 of the Company's Manual of Corporate Governance.	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	Audit Committee conducts quarterly regular meetings and dialogues with the external audit team without anyone from management present.	

Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.	Compliant	Please refer to Section 2.3 (m), page 18 of the Company's Manual of Corporate Governance.	
2. Audit Committee approves the appointment and removal of the internal auditor.	Compliant	Please refer to Section 2.3 (m), page 17 of the Company's Manual of Corporate Governance.	
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	Please refer to Section 2.3 (v), pages 19 - 20 of the Company's Manual of Corporate Governance.	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Compliant	Please refer to Section 2.3 (v), page 19 of the Company's Manual of Corporate Governance.	
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	The Company is currently compliant with SEC Memorandum Circular No. 19, Series of 2016. The Company shall comply with SEC Memorandum No. 15, Series of 2017 at the next Organizational Meeting of the Board.	
Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.	Compliant	Please refer to Section 2.3 (v), page 20 of the Company's Manual of Corporate Governance.	
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	Please refer to Section 2.3 (vi), pages 20 - 21 of the Company's Manual of Corporate Governance.	

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2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	Please refer to Section 2.3 (vi), page 20 of the Company's Manual of Corporate Governance.	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Compliant	Please refer to Section 2.3 (vi), page 20 of the Company's Manual of Corporate Governance.	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant	Please refer to Section 2.3 (vi), page 20 of the Company's Manual of Corporate Governance.	
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	Please refer to Section 2.3 (vii), pages 21 - 22 of the Company's Manual of Corporate Governance	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant	Please refer to Section 2.3 (vii), page 21 of the Company's Manual of Corporate Governance	
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	Please refer to http://edge.pse.com.ph/openDiscViewer.do?edge_no=b7cae10e969ab50e3318251c9257320d#sthash.qhxiP7D.dpbs http://www.travellers.com.ph/?s=charter	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant		

3. Committee Charters were fully disclosed on the company's website.	Compliant	Please refer to http://www.travellers.com.ph/?s=charter	
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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	Please refer to Section 2.3 (j), page 13 of the Company's Manual of Corporate Governance	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	Please refer to Section 2.3 (h)(ii), page 12 of the Company's Manual of Corporate Governance	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	Please refer to Section 2.3 (j), page 13-14 of the Company's Manual of Corporate Governance.	

Recommendation 4.2

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	The Group consists of several companies where Executive Directors of the Company serve as directors. For Independent Directors, the Company observes the limitation set forth in SEC Circular Memorandum No. 9, Series of 2011 and has not elected any Independent Director with more than five directorships within the Group.	
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Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	Compliant	Please refer to Section 2.3 (h) (i), Page 11 to 12 of the Company's Manual of Corporate Governance.	
Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	Compliant	The Company does not have any executive director who serves in more than 2 boards of listed companies outside the group.	
2. Company schedules board of directors' meetings before the start of the financial year.	Compliant	Please refer to Article II, Section 2 of the Company's By Laws.	
3. Board of directors meet at least six times during the year.	Compliant	The Board of Directors of the Company has met at least 15 times in the year 2018.	
4. Company requires as minimum quorum of at least 2/3 for board decisions.	Compliant	Please refer to Section 5 of the Company's By-Laws.	
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs			
Recommendation 5.1			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Compliant	The Board is composed of seven (7) members, 1/3 of which are independent directors, who are elected by the stockholders in accordance with the Company's By-Laws and applicable laws.	
Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	Please refer to Section 2.3 (e), pages 7 to 8 of the Company's Manual of Corporate Governance	
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	Please refer to Section 2.3 (h)(iv), page 12 of the Company's Manual of Corporate Governance	

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Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	Please refer to Section 2.3 (e) page 9 of the Company's Manual of Corporate Governance	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	Please refer to Section 2.3 (e) page 9 of the Company's Manual of Corporate Governance	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Compliant	Please refer to Section 2.3 (e) page 9 of the Company's Manual of Corporate Governance	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	The Chairman of the Board: <ul style="list-style-type: none"> • Chua Ming Huat CEO & President: <ul style="list-style-type: none"> • Kingson U. Sian 	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	Please refer to Section 2.4 (a) and (b), pages 23 - 24 of the Company's Manual of Corporate Governance	
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	Please refer to Section 2.4 (c), page 25 of the Company's Manual of Corporate Governance	
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	Please refer to Section 2.3 (i), pages 11-12 of the Company's Manual of Corporate Governance	

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Recommendation 5.7

1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	Compliant	Please refer to Section 2.3 (j), page 14 of the Company's Manual of Corporate Governance	
2. The meetings are chaired by the lead independent director.	Compliant		

Optional: Principle 5

1. None of the directors is a former CEO of the company in the past 2 years.	Compliant	The incumbent CEO is the same for the past 2 years.	
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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	Please refer to Section 6, page 33 of the Company's Manual of Corporate Governance	
2. The Chairman conducts a self-assessment of his performance.	Compliant		
3. The individual members conduct a self-assessment of their performance.	Compliant		
4. Each committee conducts a self-assessment of its performance.	Compliant		
5. Every three years, the assessments are supported by an external facilitator.	Compliant	Please refer to Section 6 (a), page 33 of the Company's Manual of Corporate Governance	

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	Please refer to Section 6, page 33 of the Company's Manual of Corporate Governance	
2. The system allows for a feedback mechanism from the shareholders.	Compliant		

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	Please refer to http://www.travellers.com.ph/code-of-business-conduct-and-ethics/	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	Please refer to http://www.travellers.com.ph/code-of-business-conduct-and-ethics/	
3. The Code is disclosed and made available to the public through the company website.	Compliant	Please refer to http://www.travellers.com.ph/code-of-business-conduct-and-ethics/	

Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Compliant	Please refer to the Company's Code of Business Conduct and Ethics provided in the link below: http://www.travellers.com.ph/code-of-business-conduct-and-ethics/	

Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	All employees, including directors and officers of the Company, are required to strictly adhere to the Company's Code of Business Conduct and Ethics. In cases of deviation from the Company's Code of Business Conduct and Ethics, corrective measures, as appropriate, may be administered. In the application of corrective action, the Company shall observe the requirements of due process. Thus, every employee shall be afforded the protection of his rights under the applicable laws.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant		

Disclosure and Transparency

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

Recommendation 8.1

1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Compliant	Please refer to Section 4, page 31 of the Company's Manual of Corporate Governance	
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Supplement to Recommendations 8.1

1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.	Compliant	The latest annual report was submitted on 28 March 2019, which was 87 days from the end of the Company's fiscal year. The latest quarterly report was submitted on 14 May 2019.	
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<p>2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p>	<p>Compliant</p>	<p>The Company submits its annual report to the SEC and/or PSE.</p>	
<p>Recommendation 8.2</p>			
<p>1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.</p>	<p>Compliant</p>	<p>The Company complies with PSE disclosure rules on officers/directors to disclose dealings regarding company shares.</p>	
<p>2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.</p>	<p>Compliant</p>	<p>Furthermore, the Company adheres to strict disclosure and transparency policies that can be found in Section 4, page 31 of the Company's Manual of Corporate Governance.</p>	
<p>Supplement to Recommendation 8.2</p>			
<p>1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).</p>	<p>Compliant</p>	<p>The Company adheres to strict disclosure and transparency policies that can be found in Section 4, page 31 of the Company's Manual of Corporate Governance.</p>	
<p>Recommendation 8.3</p>			
<p>1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	<p>Compliant</p>	<p>Please refer to http://www.travellers.com.ph/board-of-directors/</p>	

2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	Please refer to http://www.travellers.com.ph/board-of-directors/	
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Compliant	Please refer to Section 2.3 (k), page 14 of the Company's Manual of Corporate Governance	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	Please refer to Section 2.3 (k), page 14 of the Company's Manual of Corporate Governance	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	<p>Directors do not receive compensation as such.</p> <p>Please refer to the Company's Annual Report (SEC Form 17 A) for the executive compensation and its PSE Disclosures that can be found at the following link:</p> <p>http://edge.pse.com.ph/openDiscViewer.do?edge_no=6a8e079d95c9845aefdfc15ec263a54d#sthash.USqrlVn7.dpbs</p>	
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	Please refer to Section 2.3 (m) (vii), pages 21 to 22 of the Company's Manual of Corporate Governance	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	Please refer to Section 2.3 (m) (vii), page 22 of the Company's Manual of Corporate Governance	

Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	Please refer to Section 2.3 (h)(i), page 11 of the Company's Manual of Corporate Governance	
Optional : Recommendation 8.5			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	Compliant	Please refer to Section 2.3 (m) (vii), page 22 of the Company's Manual of Corporate Governance	
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	Please refer to Section 4, page 31 of the Company's Manual of Corporate Governance	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant	The Company shall appoint an independent party to evaluate the fairness of a transaction price in the event that it will acquire or dispose of assets.	
Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Compliant	Please refer to Section 4, Page 31 of the Company's Manual of Corporate Governance.	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	Please refer to http://edge.pse.com.ph/openDiscViewer.do?edge_no=b7cae10e969ab50e3318251c9257320d#sthash.quhxiP7D.dpbs	

Handwritten signature or initials

2. Company's MCG is submitted to the SEC and PSE.	Compliant	and http://www.travellers.com.ph/corporate-governance/	
3. Company's MCG is posted on its company website.	Compliant		

Supplement to Recommendation 8.7

1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	Please refer to http://edge.pse.com.ph/openDiscViewer.do?edge_no=b7cae10e969ab50e3318251c9257320d#sthash.13U5G5ao.dpbs and http://edge.pse.com.ph/openDiscViewer.do?edge_no=b7cae10e969ab50e3318251c9257320d#sthash.guhxiP7D.dpbs	
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Optional: Principle 8

1. Does the company's Annual Report disclose the following information:		Please refer to the Company's Annual Report which can be found in its PSE Disclosures. Please refer to: http://edge.pse.com.ph/openDiscViewer.do?edge_no=6a8e079d95c9845aefdfc15ec263a54d#sthash.USqrlVn7.dpbs	
a. Corporate Objectives	Compliant		
b. Financial performance indicators	Compliant		
c. Non-financial performance indicators	Compliant		
d. Dividend Policy	Compliant		
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant		
f. Attendance details of each director in all directors meetings held during the year	Compliant		

g. Total remuneration of each member of the board of directors	Compliant		
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.	Compliant	Please refer to http://www.travellers.com.ph/category/corporate-governance/annual-corporate-governance-report/	
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	Please refer to http://www.travellers.com.ph/category/corporate-governance/annual-corporate-governance-report/	
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	Compliant		
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).	Compliant		

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

Recommendation 9.1

1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	Please refer to Section 2.3 (m) (iii), page 17 of the Company's Manual of Corporate Governance	
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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	Please refer to Section 2.3 (m) (iii), page 17 of the Company's Manual of Corporate Governance	
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	Please refer to Section 4, Page 31 of the Company's Manual of Corporate Governance.	
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	Please refer to Section 2.10 (a) (5), page 28 of the Company's Manual of Corporate Governance.	
Recommendation 9.2			
<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <ul style="list-style-type: none"> i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. 	Compliant	<p>Please refer to Section 4 of the Company's Audit Committee Charter which can be found in the link below:</p> <p>http://www.travellers.com.ph/audit-committee-charter/</p>	

2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant	Please refer to Section 4 of the Company's Audit Committee Charter which can be found in the link below: http://www.travellers.com.ph/audit-committee-charter/	
Supplement to Recommendations 9.2			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Compliant	Please refer to Section 4.2 (v) of the Company's Audit Committee Charter which can be found in the link below: http://www.travellers.com.ph/audit-committee-charter/	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	Please refer to Section 4.2 (v) of the Company's Audit Committee Charter which can be found in the link below: http://www.travellers.com.ph/audit-committee-charter/	
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	Please refer to Section 2.3 (m) (iii), page 17 of the Company's Manual of Corporate Governance.	
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	Please refer to Section 2.3 (m), (iii) page 17 of the Company's Manual of Corporate Governance.	
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	Please refer to Section 2.3 (m), (iii) page 17 of the Company's Manual of Corporate Governance	

Additional Recommendation to Principle 9

<p>1. Company's external auditor is duly accredited by the SEC under Group A category.</p>	<p>Compliant</p>	<p>The Company's external auditor is Punongbayan & Araullo:</p> <p>Renan A. Piamonte Partner</p> <p>SEC Group A Accreditation Partner - No. 1363-AR-1 Date Accredited: March 2, 2017 Expiry Date: March 1, 2020</p> <p>Firm - No. 0002-FR-5 Date Accredited: March 27, 2018 Expiry Date: March 26, 2021</p> <p>Punongbayan and Araullo 20th Floor, Tower 1 The Enterprise Center, 6766 Ayala Avenue, 1200 Makati City, Philippines ; +63 2 988 2288</p>	
<p>2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).</p>	<p>Compliant</p>	<p>Yes. The External Auditor was selected to undergo a SEC Oversight Assurance Review ("SOAR") in 2018. As of the date of this Report, the SEC has not finalized its report of the SOAR.</p>	

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

Recommendation 10.1

<p>1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.</p>	<p>Compliant</p>	<p>Please refer to Section 4, page 31 of the Company's Manual of Corporate Governance.</p>	
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2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	
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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	Please refer to: http://www.travellers.com.ph/category/press-releases/	
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Supplemental to Principle 11

1. Company has a website disclosing up-to-date information on the following:		Please refer to www.travellers.com.ph	
a. Financial statements/reports (latest quarterly)	Compliant		
b. Materials provided in briefings to analysts and media	Compliant		
c. Downloadable annual report	Compliant		
d. Notice of ASM and/or SSM	Compliant		
e. Minutes of ASM and/or SSM	Compliant		
f. Company's Articles of Incorporation and By-Laws	Compliant		

Additional Recommendation to Principle 11

1. Company complies with SEC-prescribed website template.	Compliant	Please refer to www.travellers.com.ph	
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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	Please refer to Section 2.3 (m) (iii), pages 16 - 18 of the Company's Manual of Corporate Governance.	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	Please refer to Section 2.3 (m) (vi), pages 20 - 21 of the Company's Manual of Corporate Governance.	

Supplement to Recommendations 12.1

1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	Compliant	Compliance with laws and regulations is mandatory for all employees, including Senior Management, Directors and officers, of the Company.	
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Optional: Recommendation 12.1

1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.	Compliant	The Company has its own full time Business and Technology Solutions Department that specifically focuses on maintaining, preserving, upgrading and monitoring all information technology matters including cyber security and disaster recovery.	
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Recommendation 12.2

1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Compliant	The internal audit is done in-house.	
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Recommendation 12.3

1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	<p>Please refer to Section 2.7, page 26 of the Company's Manual of Corporate Governance.</p> <p>Mr. Carlito B. Banaag was appointed Director for Audit & Risk Management for Resorts World Manila's Audit and Risk Management Department in July 2010. Mr. Banaag is currently the Director for Internal Audit and Systems & Methods Department. Mr. Banaag was previously the Operational Risk Management Officer at China Banking Corporation, where he participated in risk awareness campaigns and bank personnel training. He has served as Internal Audit Head for Philippine Deposit Insurance Corporation and as Risk Management/Compliance Officer for several private banks. He is a Certified Public Accountant with a bachelor's degree in Accountancy from the Polytechnic University of the Philippines.</p>	
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2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	Compliant		
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.	Compliant	Any internal audit is monitored by the Chief Internal Auditor, who in turn reports directly to the President.	
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	Please refer to Section 2.3 (m) (vi), page 20 of the Company's Manual of Corporate Governance.	
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	Compliant	The Company shall seek external technical support in risk management when such competence is not available internally and the same becomes henceforth necessary.	

Recommendation 12.5

1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).

Compliant

Please refer to Section 2.8, page 27 of the Company's Manual of Corporate Governance.

The Company's Director for Risk Management is Ms. Maria Ryna P. Inocencio. She now oversees the Enterprise Risk Management operations of the Company, which includes the integration of risk concepts into strategic planning and risk identification and mitigation activities. Prior to joining the Company, Ms. Inocencio spent over twenty years with Philippine National Bank and China Bank working as a Credit Policy/Risk Officer for both institutions.

2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant		
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Additional Recommendation to Principle 12

1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Compliant	Attached hereto as "Annex A" is the Attestation duly executed by the Company's President and CEO and Director for Internal Audit and Systems & Methods Department	
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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	Please refer to Section 3, page 29 of the Company's Manual of Corporate Governance.	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Please refer to http://www.travellers.com.ph/corporate-governance/	

Supplement to Recommendation 13.1

1. Company's common share has one vote for one share.	Compliant	Please refer to Article I, Section 6 of the Company's By-Laws.	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	Please refer to Article I, Section 6 of the Company's By-Laws.	

3. Board has an effective, secure, and efficient voting system.	Compliant	Please refer to Article I, Section 6 of the Company's By-Laws, which can be found in the link below: http://www.travellers.com.ph/companys-article-of-incorporation-and-by-laws-and-all-amendments/	
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	Please refer to Article I, Sections 3 to 5 of the Company's By-Laws.	
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	The Board does not prohibit shareholders to call a special shareholders' meeting after complying with legal requirements under Section 52 of the Revised Corporation Code of the Philippines.	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	Please refer to Section 3.5, page 31 of the Company's Manual of Corporate Governance.	
7. Company has a transparent and specific dividend policy.	Compliant	Please refer to Article VII, Sections 1 to 3 of the Company's By-Laws, which can be found in the link below: http://www.travellers.com.ph/companys-article-of-incorporation-and-by-laws-and-all-amendments/ .	

Optional: Recommendation 13.1

<p>1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.</p>	<p>Compliant</p>	<p>The Company's stock and transfer agent, BDO, is the independent party engaged to count and/or validate the votes at the Annual Shareholders' Meeting.</p>	
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Recommendation 13.2

<p>1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.</p>	<p>Compliant</p>	<p>Notices were sent 59 days before the last scheduled meeting (meeting was cancelled). Please refer to:</p> <p>http://edge.pse.com.ph/openDiscViewer.do?edge_no=721d34a14394c89a3318251c9257320d#sthash.jq2COB6S.dpbs</p>	
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Supplemental to Recommendation 13.2

<p>1. Company's Notice of Annual Stockholders' Meeting contains the following information:</p>		<p>Please refer to:</p> <p>http://edge.pse.com.ph/openDiscViewer.do?edge_no=53fb2d4aa666b0d13318251c9257320d#sthash.wtXkl33k.dpbs</p>	
<p>a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)</p>	<p>Compliant</p>		
<p>b. Auditors seeking appointment/re-appointment</p>	<p>Compliant</p>		
<p>c. Proxy documents</p>	<p>Compliant</p>		

Optional: Recommendation 13.2

12/21

1. Company provides rationale for the agenda items for the annual stockholders meeting	Compliant	The Company provides the general agenda for the Annual Stockholders' Meetings and allows its stockholders to fully participate in the Annual Stockholders' Meeting and encourages them to raise their concerns in relation to the agenda items.	
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	Results of all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM are disclosed on the PSE Edge website.	
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	Please refer to: http://www.travellers.com.ph/minutes-of-all-general-or-special-stockholders-meetings/	
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	All relevant individuals are invited at the ASM and SSM.	
Recommendation 13.4			

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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	Please refer to Section 3.5, page 31 of the Company's Manual in Corporate Governance.	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	Please refer to Section 3.5, page 31 of the Company's Manual in Corporate Governance.	
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	The details of the Company's Investor Relations Officer is as follows: Mr. Bernard Than Boon Teong bernard.than@rwmanila.com	
2. IRO is present at every shareholder's meeting.	Compliant	The Information Relations Officer attends the Annual Stockholders' Meetings.	
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant	The Board has not encountered any anti-takeover measure.	

2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Compliant	The Company's public float is 10%. It is the Company's understanding that the requirement of increasing the public float to 30% applies only to newly listed companies, not to companies already listed such as the Company.	
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Optional: Principle 13

1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	Compliant	The Company complies with the requirements of the Corporation Code and requires a 2/3 vote of stockholders for amendments to the Company's Articles of Incorporation and sale of all or substantially all of the Company's assets. Pre-emptive rights to subscribe to all stock issuances of the Company are waived in the Company's Articles of Incorporation.	
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2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	Non-Compliant	The Company encourages its stockholders to fully participate in the Annual Stockholders' Meeting and to raise their concerns in relation to the agenda items. The Company also allows its stockholders to vote through proxy.	In the event a stockholder is unable to attend the Annual Stockholders' Meeting, he/she may vote through proxy.
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Duties to Stakeholders

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

Recommendation 14.1

<p>1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.</p>	<p>Compliant</p>	<p>The identities of the Company's shareholders are disclosed on the PSE Edge Website, which is available in the link below:</p> <p>http://edge.pse.com.ph/openDiscViewer.do?edge_no=087d0e45e97303293318251c9257320d#sthash.xaGPe6Sb.dpbs</p>	
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Recommendation 14.2

<p>1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.</p>	<p>Compliant</p>	<p>Please refer to Section 3.5, page 31 of the Company's Manual in Corporate Governance.</p>	
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Recommendation 14.3

<p>1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.</p>	<p>Compliant</p>	<p>Stakeholders can communicate with the Company through the Company's customer service email address, which is as follows:</p> <p>customerservice@rwmanila.com.</p>	
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Supplement to Recommendation 14.3

1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	Compliant	Please refer to Section 2.3 (g), page 11 of the Company's Manual of Corporate Governance.	
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Additional Recommendations to Principle 14

1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	Compliant	None	
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2. Company respects intellectual property rights.	Compliant	The Company does not allow, tolerate or condone violations of Intellectual Property rights of others.	
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12/21

Optional: Principle 14

1. Company discloses its policies and practices that address customers' welfare

Compliant

The Company ensures that its customers are thrilled, enjoying and experiencing truly world-class entertainment through its excellent service provided by the Company's employees which embody unyielding integrity in their work and exhibit genuine care for its guests.

The Company invites and hosts famous local and international acts into its resort facility. A membership program is available to its loyal patrons. Patrons and their families are treated to various themed programs in a safe and secure environment. The Company, through its Safety and Security Department, warrants a safe stay, and are ready to respond in case of unforeseen emergencies.

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<p>2. Company discloses its policies and practices that address supplier/contractor selection procedures</p>	<p>Compliant</p>	<p>The procurement of goods and services of the Company are established to strengthen the accountability in the purchasing process through recognized purchasing principles of equity, economy, and integrity.</p> <p>Suppliers and contractors go through a thorough bidding and accreditation process. As a basic requirement, the Company ensures that its employees disclose any personal or professional relationships, or businesses in which they have financial interest and which may give rise to any possible conflict of interest.</p>	
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Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.

Recommendation 15.1

<p>1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.</p>	<p>Compliant</p>	<p>The Company continuously develops programs for the employees to actively participate in the realization of the company's goals and in its governance.</p>	
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Supplement to Recommendation 15.1

<p>1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.</p>	<p>Compliant</p>	<p>The Company has an established Retirement Plan and Employee Stock Option Plan.</p>	
<p>2. Company has policies and practices on health, safety and welfare of its employees.</p>	<p>Compliant</p>	<p>The Company is committed to maintaining a safe and secure environment for its employees by:</p> <ul style="list-style-type: none">• Striving to create and maintain accident-free, clean, healthy and conducive workplace;• Complying with all appropriate Occupational, Safety, Health and Environmental standards and regulations, as well as performing the safest possible manner consistent with best work practices; and• Educating, training, and motivating employees, as well as our contractors, to be aware of environmental aspects, occupational health and safety hazards and risks in order to conduct their activities responsibly.• Providing health care coverage to its employees.	

<p>3. Company has policies and practices on training and development of its employees.</p>	<p>Compliant</p>	<p>Training and Development Programs of the Company include: Transformational Leadership, Leadership Essentials, Understanding Our Business, Effective Performance Management, Communicating for Leadership Success, Coaching for Peak Performance, Setting Goals and Reviewing Results, Addressing Poor Performance, Recognizing Good Performance, and Succession Planning.</p>	
<p>Recommendation 15.2</p>			
<p>1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.</p>	<p>Compliant</p>	<p>Please refer to Section X, Page 11 of the Company's Code of Business Conduct and Ethics which is provided in the link below:</p> <p>http://www.travellers.com.ph/code-of-business-conduct-and-ethics/</p>	
<p>2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.</p>	<p>Compliant</p>	<p>All employees, including top management, have ready access to the Company's Code of Business Conduct and Ethics through its website.</p>	

Supplement to Recommendation 15.2

1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	Compliant	Please refer to Section X, Page 11 of the Company's Code of Business Conduct and Ethics.	
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Recommendation 15.3

1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Compliant	Please refer to http://www.travellers.com.ph/whistle-blowing-policy/	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant		

<p>3. Board supervises and ensures the enforcement of the whistleblowing framework.</p>	<p>Compliant</p>	<p>The Ethics Committee accepts reports of wrongdoing and investigates them while at the same ensuring confidentiality of information.</p>	
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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

<p>1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.</p>	<p>Compliant</p>	<p>The Company, through its Corporate Social Responsibility Unit, reaches out to communities and responds to relevant social issues through innovative approaches that reflect the Company's continuing commitment to Philippine society.</p> <p>Employee volunteerism grants for outreach activities; Blood donation drive in cooperation with the Philippine Red Cross three times a year; Annual fun-run for charity; Monthly recyclable material collection and bi-annual tree planting activity for environmental sustainability; Livelihood and Employment Assistance Program for Pasay City residents; Disaster response programs.</p>	
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Optional: Principle 16

<p>1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development</p>	<p>Compliant</p>	<p>The Company endeavors to maintain that all its processes, procedures, construction, waste disposal and management are aligned with existing environmental laws, rules and regulations pertinent to its industry.</p> <p>The Company encourages and implements programs on water conservation and proper solid waste management in all aspects of its business.</p>	
<p>2. Company exerts effort to interact positively with the communities in which it operates</p>	<p>Compliant</p>	<p>The Company, through its Corporate Social Responsibility Unit, reaches out to communities and responds to relevant social issues through innovative approaches that reflect the Company's continuing commitment to Philippine society.</p>	

Submitted by:

TRAVELLERS INTERNATIONAL HOTEL GROUP, INC.

By:



DAVID CHIA MING HUAT
Chairman



KINGSON U. SIAN
President and Chief Executive Officer



BERNARD THAN BOON TEONG
*Chief Financial Officer, Treasurer, Investor
Relations Officer, Corporate Information Officer
and Compliance Officer*



ATTY. EMMANUEL C. PARAS
Corporate Secretary



PROF. ENRIQUE M. SORIANO III
Independent Director



JESUS B. VARELA
Independent Director



ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF PASAY

) SS

MAY 24 2019

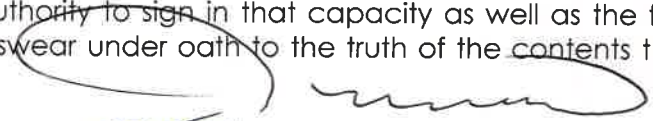
BEFORE ME, a Notary Public, at the above-stated locality, on this day of 2019, personally appeared the following:

NAME	Competent Evidence of Identity	Place and Date of issue/ Validity
KINGSON U. SIAN	Passport ID: P2427973A	DFA NCR East/23 March 2017/22 March 2022
BERNARD THAN BOON TEONG	Passport ID: A36958224	George Town/11 February 2016/ 11 May 2021
ATTY. EMMANUEL C. PARAS	Passport ID: P0158843B	DFA Manila/8 January 2019/7 January 2029
PROF. ENRIQUE M. SORIANO III	Passport ID: P7782296A	DFA Iloilo/3 July 2018/ 2 July 2028
JESUS B. VARELA	Passport ID: P1268106A	DFA Manila/19 December 2016/18 December 2021

who have presented to me an integrally complete **Integrated Annual Corporate Governance Report** consisting of **fifty three (53) pages**, including this acknowledgment page, and are personally known to me or identified by me through competent evidence of their identities as the same persons they purport to be, and represented to me that their signatures on the foregoing were voluntarily affixed by them and that the same is their own free and voluntary acts and deeds with authority to sign in that capacity as well as the free acts and deeds of the corporations and individuals they represent, and they further swear under oath to the truth of the contents thereof, under penalty of law.

WITNESS MY HAND AND SEAL, on the date and at the place above-written.

Doc. No. 233
Page No. 48
Book No. 11
Series of 2019.


ATTY. PEDRO D. GENATO
NOTARY PUBLIC UNTIL SEP 2019
NOTARY PUBLIC
NOTARIAL COMMISSION 2018-0111
IEP# 012432 PASIG 7-27-17 UNTIL 2019
PTR# MLA 8008959-1-3-2019
ROLL# 12088, TIN# 132-436-687
MCLE COMPL. NO. V-0605232 UNTIL 9-19-

12/17

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF PASAY) SS

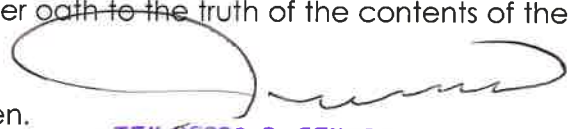
BEFORE ME, a Notary Public, at the above-stated locality, on this **MAY 30 2019** day of 2019, personally appeared the following:

NAME	Competent Evidence of Identity	Place and Date of issue
DAVID CHUA MING HUAT	Passport ID: A50706859	UTC Seremban/27 April 2018/27 October 2023

who has presented to me an integrally complete **Integrated Annual Corporate Governance Report** consisting of **fifty three (53) pages**, including this acknowledgment page, and is personally known to me or identified by me through competent evidence of his identity as the same person he purports to be, and represented to me that his signatures on the foregoing Agreement were voluntarily affixed by him and that the same is his own free and voluntary act and deed with authority to sign in that capacity as well as the free act and deed of the corporation and individual he represents, and he further swears under oath to the truth of the contents of the said Agreement, under penalty of law.

WITNESS MY HAND AND SEAL, on the date and at the place above-written.

Doc. No. 467
Page No. 95
Book No. #
Series of 2019.


ATTY. PEDRO D. GENATU
NOTARY PUBLIC UNTIL DEC 31 2019
NOTARIAL COMMISSION 2018-0111
ISP # 012432 PASIG 7-27-17 UNTIL 2019
PTR # MLA 8006954-1-3-2019
ROLL # 12088, TIN # 132-436-687
NOTICE COMPL. NO. V-0605232 UNTIL 9-14

128

REPUBLIC OF THE PHILIPPINES)
CITY OF PASAY

) S.S.

ATTESTATION

We, **KINGSON U. SIAN** and **CARLITO B. BANAAG**, both of legal age and with office address at 10th Floor Newport Entertainment and Commercial Centre, Newport Boulevard, Newport Cybertourism Economic Zone, Pasay City, Philippines, under oath, hereby depose and say:

1. We are presently the *President and Chief Executive Officer* and *Director for Internal Audit and Systems & Methods Department*, respectively, of Travellers International Hotel Group, Inc. (the "Company").

2. The Company has an independent audit mechanism to monitor the adequacy and effectiveness of its governance, operations, and information systems, including the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, the safeguarding of assets, and compliance with laws, rules, regulations and contracts.

3. The Company's external auditor, Punongbayan & Araullo, is responsible for assessing and expressing an opinion regarding the conformity of the audited financial statements of the Company with Philippine Financial Reporting Standards and the overall quality of the financial reporting process.

4. The Company's *Director for Internal Audit and Systems & Methods Department* spearheads the performance of the internal audit activities and reports periodically to the Audit Committee.

5. Based on the results of the activities and reviews undertaken by internal and external auditors of the Company for the year 2018, we attest that a sound internal audit, controls, risk management, compliance and governance systems and processes are in place and working adequately and effectively in the Company.

6. We are executing this document to attest to the truth of the foregoing.

IN WITNESS WHEREOF, we have hereunto set our hand this **MAY 24 2019** day of _____ 2019 in Pasay City, Philippines.



KINGSON U. SIAN
President and Chief Executive Officer



CARLITO B. BANAAG
Director for Internal Audit and Systems & Methods Department



SUBSCRIBED AND SWORN to before me this MAY 24 day of 2019 2019 in the City of Pasay, affiants exhibiting to me the following competent evidence of their identities:

NAME
KINGSON U. SIAN
CARLITO B. BANAAG

GOVERNMENT ISSUED ID
TIN ID: 184-608-473
TIN ID: 101-598-822

Doc. No.: 234
Page No.: 48
Book No.: VI
Series of 2019.

ATTY. PEDRO D. GENATO
NOTARY PUBLIC UNTIL DEC. 31, 2019
NOTARIAL COMMISSION 2018-0111
IBP# 012432 PASIG 7-27-17 UNTIL 2019
PTR# MLA 8008954-1-3-2019
ROLL# 12088, TIN# 132-436-687
MCLE COMPL. NO. V-0005232 UNTIL 4-14-