





**SEC FORM – I-ACGR**

**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**

1. For the fiscal year ended **2017**
2. SEC Identification Number **133653** 3. BIR Tax Identification No. **000-132-413-000**
4. Exact name of issuer as specified in its charter **ASIAN TERMINALS, INC.**
5. **Manila, Philippines** Province, Country or other jurisdiction of incorporation or organization
6.  (SEC Use Only) Industry Classification Code:
7. **ATI Head Office, A. Bonifacio Drive, Port Area, Manila 1018** Address of principal office Postal Code
8. **(632) 528-6000** Issuer's telephone number, including area code
9. **Not Applicable** Former name, former address, and former fiscal year, if changed since last report.

**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**

	<b>COMPLIANT / NON COMPLIANT</b>	<b>ADDITIONAL INFORMATION</b>	<b>EXPLANATION</b>
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**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	Provide information or link/reference to a document containing information on the following: 1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors 2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance	
2. Board has an appropriate mix of competence and expertise.	Compliant	The qualifications and experience of directors are stated in the <b>SEC Form 17-</b>	
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant	<b>A</b> (pages 30-35) and <b>Information Statement</b> (pages 5 to 9). <a href="https://www.asianterminals.com.ph/uploads/SECFilings/17-A%202017%20(Final).pdf">https://www.asianterminals.com.ph/uploads/SECFilings/17-A%202017%20(Final).pdf</a> <a href="https://www.asianterminals.com.ph/uploads/SECFilings/Definitive%20Information%20Statement%20(2017).pdf">https://www.asianterminals.com.ph/uploads/SECFilings/Definitive%20Information%20Statement%20(2017).pdf</a> Relevant training of directors on Corporate Governance disclosed in an advisement letter, posted in the <b>Company website</b> . <a href="https://www.asianterminals.com.ph/uploads/SECFilings/SEC%20Submission%20of%20Attendance.pdf">https://www.asianterminals.com.ph/uploads/SECFilings/SEC%20Submission%20of%20Attendance.pdf</a> <a href="https://www.asianterminals.com.ph/uploads/SECFilings/CG%20Attendance%20Mr%20Ahmad.pdf">https://www.asianterminals.com.ph/uploads/SECFilings/CG%20Attendance%20Mr%20Ahmad.pdf</a>	

**Recommendation 1.2**

1. Board is composed of a majority of nonexecutive directors.	Compliant	Identify or provide link/reference to a document identifying the directors and the type of their directorships In the <b>2017 General Information Sheet</b> , the list of directors and their type of directorships are stated (only Mr. Eusebio Tanco is an executive director).	
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<b>Recommendation 1.3</b>			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant insofar as the CG Manual is concerned. In progress insofar as the board charter is concerned.	Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors. The CG Manual states requirement on training of directors. <b>Corporate Governance Manual (or CG Manual)</b> Part II (1) B (1), page 3. This will likewise be incorporated in the Board Charter which is for approval of the Board. <a href="https://www.asianterminals.com.ph/uploads/CGManualACGR/(CG%20Manual)%20signed%20by%20Chairman%20and%20Compliance%20Officer.pdf">https://www.asianterminals.com.ph/uploads/CGManualACGR/(CG%20Manual)%20signed%20by%20Chairman%20and%20Compliance%20Officer.pdf</a>	Already covered in the CG manual and will be incorporated in the Board charter being finalized.
2. Company has an orientation program for first time directors.	Compliant	Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.	
3. Company has relevant annual continuing training for all directors.	Compliant	Advisement letter disclosed in the <b>Company website</b> . <a href="https://www.asianterminals.com.ph/uploads/SECFilings/SEC%20Submission%20of%20Attendance.pdf">https://www.asianterminals.com.ph/uploads/SECFilings/SEC%20Submission%20of%20Attendance.pdf</a> <a href="https://www.asianterminals.com.ph/uploads/SECFilings/CG%20Attendance%20Mr%20Ahmad.pdf">https://www.asianterminals.com.ph/uploads/SECFilings/CG%20Attendance%20Mr%20Ahmad.pdf</a>	
<b>Recommendation 1.4</b>			
1. Board has a policy on board diversity.	Compliant	Provide information on or link/reference to a document containing information on the company's board diversity policy. Indicate gender composition of the board. Part II (1) C (page 3 <b>CG Manual</b> ). CG Manual posted in the Company Website. The Board is composed of all male directors, from different industries local and overseas. In 2015, the board elected a female director in the person of Sara Falaknaz, showing that gender is not a criteria for the directorship.	
<b>Optional Recommendation 1.4</b>			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and		Provide information on or link/reference to a document containing the company's policy and measurable objectives for implementing board diversity. Provide link or reference to a progress report in achieving its objectives.	

reports on progress in achieving its objectives.			
<b>Recommendation 1.5</b>			
1. Board is assisted by a Corporate Secretary.	Compliant	Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions. <b>Name: Atty. Rodolfo G. Corvite, Jr.</b> Page 34 of <b>SEC Form 17-A</b>	The current Corporate Secretary has been connected with ATI since 1989 holding various functions and since 1997 both as Corporate Secretary and Compliance Officer. Over the years, the operations of the Company was governed efficiently by the Board as assisted by a single person performing the functions of Corporate Secretary and Compliance Officer
2. Corporate Secretary is a separate individual from the Compliance Officer.	Not-Compliant	<a href="https://www.asianterminals.com.ph/uploads/SECFilings/17-A%202017%20(Final).pdf">https://www.asianterminals.com.ph/uploads/SECFilings/17-A%202017%20(Final).pdf</a> Part II No 3 (pages 7 and 8 of the <b>CG Manual</b> )	
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		
4. Corporate Secretary attends training/s on corporate governance.	Compliant	Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered. Advisement letter disclosed in the <b>Company website.</b> <a href="https://www.asianterminals.com.ph/uploads/SECFilings/SEC%20Submission%20of%20Attendance.pdf">https://www.asianterminals.com.ph/uploads/SECFilings/SEC%20Submission%20of%20Attendance.pdf</a>	
<b>Optional: Recommendation 1.5</b>			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	Compliant	Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting. The directors have real-time access to copies of board materials in electronic form through an internet-based app (MeetX) at least 5 days before the scheduled meeting giving them ample time to review and comment. All comments are transparent to the members of the Board.	



Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, qualifications, duties and functions.	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant	<b>Name: Atty. Rodolfo G. Corvite, Jr.</b> Page 34 of <b>SEC Form 17-A</b> The Compliance Officer has the rank of Vice President. <b>Part II No 3 (pages 6 and 7 of the CG Manual)</b> Compliance Officer is not a	
3. Compliance Officer is not a member of the board.	Compliant	member of the Board.	
4. Compliance Officer attends training/s on corporate governance.	Compliant	Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered. Advisement letter disclosed in the <b>Company website.</b> <a href="https://www.asianterminals.com.ph/uploads/SECFilings/SEC%20Submission%20of%20Attendance.pdf">https://www.asianterminals.com.ph/uploads/SECFilings/SEC%20Submission%20of%20Attendance.pdf</a>	

**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	Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting) Copies of board materials in electronic form through an internet based app (MeetX) are forwarded to the directors as early as 5 days before the scheduled meeting giving them ample time to review and comment on relevant matters requiring their review and approval. Through MeetX, the directors likewise have access to any matter discussed in previous meetings that could serve as reference for their actions on current matters for consideration. Acts of the Board are covered by appropriate Board resolutions.	

<b>Recommendation 2.2</b>			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting) Indicate frequency of review of business objectives and strategy.	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant	Acts of the Board are covered by appropriate Board resolutions arrive at after discussions and due deliberations. Information on how the Board acted on such matters are reflected in the <b>Information Statement</b> (pages 17-18). These acts are embodied in board resolutions.	
<b>Supplement to Recommendation 2.2</b>			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	Indicate or provide link/reference to a document containing the company's vision, mission and core values. Indicate frequency of review of the vision, mission and core values. <b>Company Website</b> <a href="https://www.asianterminals.com.ph/ati_visionmission.aspx">https://www.asianterminals.com.ph/ati_visionmission.aspx</a> The vision, mission and core values are updated as necessary. Last update was in 2016.	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compliant	Provide information on or link/reference to a document containing information on the strategy execution process. The Board discusses the Strategic Plan derived from the targets and objectives list as prepared by Management. The emphasis of the discussions focuses on strategic approaches to address current and future challenges. Progress updates are given during board meetings. Modifications, enhancements or changes in the strategy are undertaken as necessary	
<b>Recommendation 2.3</b>			
1. Board is headed by a competent and qualified Chairperson.	Compliant	Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications Page 6 of the <b>Definitive information Statement</b>	
<b>Recommendation 2.4</b>			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation	

2. Board adopts a policy on the retirement for directors and key officers.	Not Compliant	The key officers are chosen based on their competencies/ qualifications for the position after due evaluation by the Board.	Directors are nominated and elected by stockholders based on their competence and qualifications. As stockholders, it is their right to nominate and elect directors who will represent their interest in the Company. The Company's duty is to evaluate or assess the qualifications of the nominees for election through structured nomination process.
<b>Recommendation 2.5</b>			
1. Board aligns the remuneration of key officers and board members with long term interests of the company.	Compliant	Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance. For the board, they have a fixed per diem for every meeting attended.  The Company has an existing Performance Management Scheme for its key officers aligned with the objectives and targets of the Company.	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant	The Directors have a fixed per diem for every meeting attended.  The Company has an existing Performance Management Scheme for its key officers aligned with the objectives and targets of the Company. Measurement is agreed or set at the beginning of the year and assessment is done twice a year. Remuneration and incentives depend on the results of the assessment.  There was no increase in the per diem of directors since 2003.	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant		
<b>Optional: Recommendation 2.5</b>			
1. Board approves the remuneration of senior executives.	Compliant	Provide proof of board approval Stated in the <b>Information Statement</b> under acts of Board and Management stating the election or appointment of directors or officers. In said meetings, the compensation of appointed officers are indicated. Pages 17 and 18.	



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	Provide information on or link/reference to a document containing measurable standards to align performance-based remuneration with the long-term interest of the company. The Company has an existing Performance Management Scheme for its key officers aligned with the objectives and targets of the Company. Measurement is agreed or set at the beginning of the year and assessment is done twice a year. Remuneration and incentives depend on the results of the assessment.	
<b>Recommendation 2.6</b>			
1. Board has a formal and transparent board nomination and election policy.	Compliant	Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders. Provide proof if minority shareholders have a right to nominate candidates to the board Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	The <b>Notice of Guidelines for Nomination</b> advises all stockholders of the company on how nominations would be submitted for election in the annual meeting, including the deadline for submission.	
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant	<a href="https://www.asianterminals.com.ph/uploads/StockholdersNotice/Notice%20of%20Guidelines%20for%20Nomination%20(2018).pdf">https://www.asianterminals.com.ph/uploads/StockholdersNotice/Notice%20of%20Guidelines%20for%20Nomination%20(2018).pdf</a>	
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant	Part II No. 4 (B) (Pages 9 to 12 of the <b>CG Manual</b> ) provides the minimum qualifications to be possessed by nominees for election and the disqualifications (both permanent and temporary).	
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant	<b>Nomination Committee Charter</b> provides the process and implementation of the nomination of directors.	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant	<a href="https://www.asianterminals.com.ph/uploads/BoardCommittees/(V2)NomComm%20Charter%20.pdf">https://www.asianterminals.com.ph/uploads/BoardCommittees/(V2)NomComm%20Charter%20.pdf</a>	

Optional: Recommendation 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.		Identify the professional search firm used or other external sources of candidates.	
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs. Identify transactions that were approved pursuant to the policy. Any probable related party transaction is submitted to the Audit Committee for evaluation and then elevated to the board for review and approval or to the stockholders as applicable and pursuant to the Corporation Code.	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	<b>Company Website.</b> <a href="https://www.asianterminals.com.ph/ati_corpgov_policies.aspx">https://www.asianterminals.com.ph/ati_corpgov_policies.aspx</a>	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant	The ATI POMS Management Contract approved by the Board and the stockholders in 2015.	
Supplement to Recommendations 2.7			
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	Not compliant	Provide information on a materiality threshold for RPT disclosure and approval, if any. Provide information on RPT categories	Transactions with related parties are on arm's length basis. No materiality threshold or RPT categories are set by the company. Any probable RPT is submitted to the Audit Committee for evaluation then submitted to the board for review and approval and the director or related party concerned does not participate in

aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.			the review and approval of the transaction. Stockholders' approval would be necessary if required by the Corporation Code.
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.	Not Compliant	Provide information on voting system, if any.	Any probable RPT is submitted to the Audit Committee for evaluation then submitted to the Board for review and approval. The director or related party concerned does not participate in the review and approval of the transaction. Stockholders' approval would be necessary if required by the Corporation Code as mentioned above. Existing RPTs in the 12-month period are disclosed in the <b>SEC Form 17-A</b> , (Item 12 pages 39 and 40) and Page 12 of the <b>Information Statement</b> .
<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	Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management. Identity the Management team appointed In the Organizational Meeting after every annual meeting, the Board convenes to appoint key officers of the Company. This is reflected in the submitted <b>SEC Form 17-C</b> . <a href="https://www.asianterminals.com.ph/uploads/SECFilings/ASM,%20Org%20Meeting%20and%20Dividends.pdf">https://www.asianterminals.com.ph/uploads/SECFilings/ASM,%20Org%20Meeting%20and%20Dividends.pdf</a> Head of control functions are appointed by the Board as stated in Part IV (B) page 19 of the <b>CG Manual</b> and identities are in the <b>Annual Report</b> . <a href="https://www.asianterminals.com.ph/uploads/AnnualReport/ATI_AR17.pdf">https://www.asianterminals.com.ph/uploads/AnnualReport/ATI_AR17.pdf</a>	
2. Board is primarily responsible for assessing the performance of Management led by the Chief	Compliant	Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.	

Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).		<p>Provide information on the assessment process and indicate frequency of assessment of performance.</p> <p>The Company has a Performance Appraisal process that enumerates the Key Performance Indicators (KPI) aligned with the corporate objectives or target of the Company. Measurement is agreed or set at the beginning of the year and assessment is done twice a year. Remuneration and incentives depend on the results of the assessment.</p>	
<b>Recommendation 2.9</b>			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	Compliant	<p>Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.</p> <p>The Company has an existing Performance Appraisal process that enumerates the Key Performance Indicators (KPI) aligned with the corporate objectives or target of the Company. Measurement is agreed or set at the beginning of the year and assessment is done twice a year. Remuneration and incentives depend on the results of the assessment.</p>	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant		
<b>Recommendation 2.10</b>			
1. Board oversees that an appropriate internal control system is in place.	Compliant	<p>Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system. Responsibility also delegated to the Audit Committee and stated in the Audit Committee Charter.</p> <p>Part IV pages 19 to 20 of the <b>CG Manual</b></p>	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant		

3. Board approves the Internal Audit Charter.	Compliant	Provide reference or link to the company's Internal Audit Charter Part II (E) (b) of the <b>CG Manual</b> . The Audit Committee recommends to the Board, the approval of the Internal Audit Charter. The Internal Audit Charter was approved by the Board on May 27, 2003. No significant changes in the Charter since then.	
<b>Recommendation 2.11</b>			
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	Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework. Provide proof of effectiveness of risk management strategies, if any.	
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	Part II No. 4 (E) on Audit Committee and Part IV of the <b>CG Manual</b> Pages 19 to 20 The functions of the Chief Risk Officer (CRO) is performed by the AVP for Business Development. On a yearly basis, the key risk areas are identified, risk assessments are made and control strategies recommended. These matters are reported to the Board by the Management on a yearly basis.	
<b>Recommendation 2.12</b>			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Not Compliant	Provide link to the company's website where the Board Charter is disclosed.	The Company is in the process of formulating a Board Charter. <b>The CG Manual</b> already states the roles, responsibilities and accountabilities of the Board and is posted in the website. To supplement the CG Manual, the Board may refer to the Company <b>By-laws</b> . The Board uses these as guidelines in addition to the charters of the Committees, in the performance of their functions. <a href="https://www.asianterminals.com.ph/uploads/ArticlesByLaws/2016%20Amended%20by%20Laws%20of%20ATI.pdf">https://www.asianterminals.com.ph/uploads/ArticlesByLaws/2016%20Amended%20by%20Laws%20of%20ATI.pdf</a>

2. Board Charter serves as a guide to the directors in the performance of their functions.	Not Compliant		The CG Manual states the roles, responsibilities and accountabilities of the Board and is posted in the website. The Board uses this as guidelines in addition to the charters of the Committees in the performance of their functions.
3. Board Charter is publicly available and posted on the company's website.	Not Compliant		The CG Manual states the roles, responsibilities and accountabilities of the Board and is posted in the website. The Board uses this as guidelines in addition to the charters of the Committees in the performance of their functions.
<b>Additional Recommendation to Principle 2</b>			
1. Board has a clear insider trading policy.	Compliant	Provide information on or link/reference to a document showing company's insider trading policy. <b>Company Website</b> <a href="https://www.asianterminals.com.ph/ati_corpgov_policies.aspx#itp">https://www.asianterminals.com.ph/ati_corpgov_policies.aspx#itp</a>	
<b>Optional: Principle 2</b>			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.		Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any.	
2. Company discloses the types of decision requiring board of directors' approval.		Indicate the types of decision requiring board of directors' approval and where there are disclosed.	
<b>Principle 3.</b> Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
<b>Recommendation 3.1</b>			
1. Board establishes board committees that focus on specific board functions to aid in the optimal	Compliant	Provide information or link/reference to a document containing information on all the board committees established by the company. <b>Company Website.</b>	



performance of its roles and responsibilities.		<a href="https://www.asianterminals.com.ph/ati_corpgov_boardcommittees.aspx">https://www.asianterminals.com.ph/ati_corpgov_boardcommittees.aspx</a>	
<b>Recommendation 3.2</b>			
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	Provide information or link/reference to a document containing information on the Audit Committee, including its functions. Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor. Part II 4 (E) pages 14 to 16 of the <b>CG Manual</b> . The recommendation to appoint external auditors (or their re-appointment/removal) on page 15	
2. Audit Committee is composed of at least three appropriately qualified nonexecutive directors, the majority of whom, including the Chairman is independent.	Not Compliant	Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship. <b><i>The Audit Committee also performs the function of the Board Risk Oversight Committee and Related Party Transactions Committee</i></b>	The Audit Committee is composed of 3 directors and one of whom is an independent director. For the composition of the Audit Committee, <b>Company Website</b> . <a href="https://www.asianterminals.com.ph/ati_corpgov_boardcommittees.aspx">https://www.asianterminals.com.ph/ati_corpgov_boardcommittees.aspx</a> For the qualifications of the members, the <b>Information Statement</b> . Page 6 for Atty. Monico Jacob Page 8 for Atty. Teodoro L. Locsin, Jr. Pages 10 to 11 for Mr. Ahmad Yousef Ahmad Alhassan Al Simreen
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee. For the qualifications of the members, the <b>Information Statement</b> . Page 6 for Atty. Monico Jacob Page 8 for Atty. Teodoro L. Locsin, Jr. Pages 10 to 11 for Mr. Ahmad Yousef Ahmad Alhassan Al Simreen	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	Provide information or link/reference to a document containing information on the Chairman of the Audit Committee Committee Chairman: <b>Atty. Teodoro L. Locsin Jr.</b>	

		Page 8 of the <b>Information Statement</b> Composition of the Audit Committee, <b>Company Website</b>	
<b>Supplement to Recommendation 3.2</b>			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor. Page 15, <b>CG Manual</b> . The Audit committee shall examine all non-audit services. No non-audit services were conducted by the external auditors as reflected in <b>page 20 of the Management Report attached to the Information Statement</b> .	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Not Compliant	Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.	The external auditors present updates to the Audit Committee on any significant issues noted, without impediments from management.
<b>Optional: Recommendation 3.2</b>			
1. Audit Committee meet at least four times during the year.	Compliant	Indicate the number of Audit Committee meetings during the year and provide proof Four meetings for the whole year are conducted One of the main duties of the Audit Committee is to review and approve the quarterly financial reports in their meetings as stated in the <b>CG Manual</b> (Page 20). The committee review is done before the financial reports are disclosed to the SEC and PSE. The audited financial statement for the previous year is approved during the first meeting of the current year and attached to the Information Statement. All <b>financial reports</b> including the Audited Financial Statement are filed within the timelines provided by SEC and PSE. <a href="https://www.asianterminals.com.ph/uploads/SECFilings/17Q(March%2031,%202017).pdf">https://www.asianterminals.com.ph/uploads/SECFilings/17Q(March%2031,%202017).pdf</a> <a href="https://www.asianterminals.com.ph/uploads/SECFilings/2nd%20Q%20(2017).pdf">https://www.asianterminals.com.ph/uploads/SECFilings/2nd%20Q%20(2017).pdf</a> <a href="https://www.asianterminals.com.ph/uploads/SECFilings/3RD%20Quarter%20(2017).pdf">https://www.asianterminals.com.ph/uploads/SECFilings/3RD%20Quarter%20(2017).pdf</a> <a href="https://www.asianterminals.com.ph/uploads/SECFilings/Definitive%20Information%20Statement%20(March%2020).pdf">https://www.asianterminals.com.ph/uploads/SECFilings/Definitive%20Information%20Statement%20(March%2020).pdf</a>	

2. Audit Committee approves the appointment and removal of the internal auditor.	Compliant	Provide proof that the Audit Committee approved the appointment and removal of the internal auditor. Page 14, <b>CG Manual</b>	
<b>Recommendation 3.3</b>			
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	Provide information or reference to a document containing information on the Corporate Governance Committee, including its function. Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable. <b>Company Website</b> <a href="https://www.asianterminals.com.ph/uploads/BoardCommittees/(V2)%20CG%20COMM.pdf">https://www.asianterminals.com.ph/uploads/BoardCommittees/(V2)%20CG%20COMM.pdf</a>	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Not Compliant	Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.  <b>Composition of the Committee on the Company Website.</b> <a href="https://www.asianterminals.com.ph/ati_corpgov_boardcommittees.aspx">https://www.asianterminals.com.ph/ati_corpgov_boardcommittees.aspx</a>  For the qualifications of the members, the <b>Information Statement.</b> Page 7 for Chief Justice Artemio V. Panganiban (ret.) Page 8 for Atty. Teodoro L. Locsin, Jr. Pages 10 to 11 for Mr. Ahmad Yousef Ahmad Alhassan Al Simreen	ATI has only 2 independent directors in compliance with the provisions of the Securities and Regulations Code and Company Bylaws. The two elected independent directors are known publicly to possess integrity and probity and has efficiently and competently performed their functions which greatly contributed to the success of the Company. One independent director (ID) was a former Chief Justice of the Philippines and the other is a Philippine Representative to the United Nations. Both IDs are adept in law and governance not only in the Philippines but even in international field.
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee. For the qualifications of the Committee Chairman, the <b>Information Statement.</b> Page 7 for Chief Justice Artemio V. Panganiban (ret.)	

**Optional: Recommendation 3.3**

1. Corporate Governance Committee meet at least twice during the year.		Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.	
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**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.	Not Compliant	Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions	ATI is compliant as to the BROC's functions assigned to the Audit Committee but does not have a separate BROC (please see Additional Information in Recommendation 3.2 no.2). The Company's operations are not as complex as other listed companies. Services are confined only to those relating to port management, cargo handling and other port related services. The Audit Committee is headed by a competent qualified Chairman adept in good governance. Page 5 , <b>Audit Committee Charter, posted on the Company Website</b> <a href="https://www.asianterminals.com.ph/uploads/BoardCommittees/2017%20Audit%20Committee%20Charter.pdf">https://www.asianterminals.com.ph/uploads/BoardCommittees/2017%20Audit%20Committee%20Charter.pdf</a> Pages 15 and 16 of the <b>CG Manual</b>
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Not Compliant	Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship	The Audit Committee, performing the functions of BROC is composed of 3 members including an independent director who is the Chairman. He is qualified, competent and adept in good corporate governance. The Company's operations are not as complex as other listed companies and the Chairman efficiently led the Audit Committee in the performance of its oversight functions as

			required by the new CG Code. Information on Atty. Teodoro L. Locsin, Jr., the Committee Chairman on Page 8 and for the other two members, on pages 6 and 10 of the <b><u>Information Statement</u></b> .
3. The Chairman of the BROCC is not the Chairman of the Board or of any other committee.	Compliant	Provide information or link/reference to a document containing information on the Chairman of the BROCC Information on Atty. Teodoro L. Locsin, Jr., the Committee Chairman on Page 8 of the <b><u>Information Statement</u></b> . Atty. Locsin is not a Chairman of any other Committee. Composition of the Audit Committee posted on the <b><u>Company Website</u></b> .	
4. At least one member of the BROCC has relevant thorough knowledge and experience on risk and risk management.	Compliant	Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROCC. For Background of the Members of the Audit Committee (exercising BROCC functions) please see "Additional Information " on Recommendation 3.2. ,No. 2)	
<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.	Not Compliant	Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.	ATI is compliant as to the RPT Committee's functions assigned to the Audit Committee but does not have a separate RPT Committee (please see Additional Information in Recommendation 3.2 no.2). The Company's operations are not as complex as other listed companies. Services are confined only to those relating to port management, cargo handling and other port related services. The Audit Committee is headed by a competent qualified Chairman adept in good governance. Page 5 , <b><u>Audit Committee Charter, posted on the Company Website</u></b>

			<a href="https://www.asianterminals.com.ph/uploads/BoardCommittees/2017%20Audit%20Committee%20Charter.pdf">https://www.asianterminals.com.ph/uploads/BoardCommittees/2017%20Audit%20Committee%20Charter.pdf</a> Pages 15 and 16 of the <b>CG Manual</b>
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Not Compliant	Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.	The Audit Committee, performing the functions of RPT Committee is composed of 3 members including an independent director who is the Chairman. He is qualified, competent and adept in good corporate governance. The Company's operations are not as complex as other listed companies and the Chairman efficiently led the Audit Committee in the performance of functions pertaining to related party transactions, as required by the new CG Code. Information on Atty. Teodoro L. Locsin, Jr., the Committee Chairman on Page 8 and for the other two members, on pages 6 and 10 of the <b>Information Statement</b> .
<b>Recommendation 3.6</b>			
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	Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes. Charters are posted in the <b>Company Website</b> . <a href="https://www.asianterminals.com.ph/ati_corpgov_boardcommittees.aspx">https://www.asianterminals.com.ph/ati_corpgov_boardcommittees.aspx</a>	
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	Provide link to company's website where the Committee Charters are disclosed.	



		<p><b>Audit Committee</b>  <a href="https://www.asianterminals.com.ph/uploads/BoardCommittees/2017%20Audit%20Committee%20Charter.pdf">https://www.asianterminals.com.ph/uploads/BoardCommittees/2017%20Audit%20Committee%20Charter.pdf</a></p> <p><b>Nomination Committee</b>  <a href="https://www.asianterminals.com.ph/uploads/BoardCommittees/(V2)NomComm%20Charter%20.pdf">https://www.asianterminals.com.ph/uploads/BoardCommittees/(V2)NomComm%20Charter%20.pdf</a></p> <p><b>Compensation Committee</b>  <a href="https://www.asianterminals.com.ph/uploads/BoardCommittees/(V2)Compensation%20Comm%20Charter.pdf">https://www.asianterminals.com.ph/uploads/BoardCommittees/(V2)Compensation%20Comm%20Charter.pdf</a></p> <p><b>Corporate Governance Committee</b>  <a href="https://www.asianterminals.com.ph/ati_corpgov_boardcommittees.aspx">https://www.asianterminals.com.ph/ati_corpgov_boardcommittees.aspx</a></p>	
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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	<p>Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings. Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders’ meetings.</p> <p>The attendance of the Board to the meetings for 2017 was disclosed to the SEC and posted on the <b>Company Website</b>.  <a href="https://www.asianterminals.com.ph/uploads/SECFilings/Attendance%20to%202017%20meetings.pdf">https://www.asianterminals.com.ph/uploads/SECFilings/Attendance%20to%202017%20meetings.pdf</a></p> <p>The attendance of the Board and the Members of various Committee meetings are reflected in their respective Minutes.</p>	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	<p>App-based materials are uploaded and the Board can readily access, download or print copies anytime using their assigned accounts. Materials are uploaded at least 5 days before the actual date of meeting.</p>	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	<p>Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors. Questions, clarifications and discussions thereof were all reflected in the Minutes of the meetings of the Board and the Committees.</p>	

Recommendation 4.2			
<p>1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long term strategy of the company.</p>	<p>Not Compliant</p>	<p>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously. Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies</p>	<p>The Company basis for non-executive directors is the capacity of the director to perform their duties diligently and submit themselves to reasonable indicative limit. Among the directors, Chief Justice Artemio Panganiban (ret.), Mr. Eusebio H. Tanco and Atty. Monico Jacob have more than 5 directorships. All the said directors are competent and have diligently performed their functions and had 100% attendance in all the board meetings of ATI.</p> <p>Part 4 B (d and e) of the CG Manual (Page 11) provides that the Nomination Committee shall consider as a guideline the number of directorships or active memberships and officerships in other corporations <u>XXX the optimum number shall be related to the capacity of a director to perform his duties diligently in general.</u> The Manual provides that the CEO and all directors shall submit themselves to <u>reasonable indicative limit on membership</u> in other Board. Directorships are indicated in the <b>Information Statement pages 6 to 10.</b></p>
Recommendation 4.3			
<p>1. The directors notify the company's board before accepting a directorship in another company.</p>	<p>Compliant</p>	<p>Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed. <i>Notification from Chief Justice Artemio Panganiban (ret.) Attached as Annex "A" hereof</i></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.			
2. Company schedules board of directors' meetings before the start of the financial year.	Compliant	The schedules are agreed upon during the last board meeting for the year.	
3. Board of directors meet at least six times during the year.	Compliant	Indicate the number of board meetings during the year and provide proof Eight (8) Meetings <b>SEC Disclosure on Attendance to 2017 Meetings</b> <a href="https://www.asianterminals.com.ph/uploads/SECFilings/Attendance%20to%202017%20meetings.pdf">https://www.asianterminals.com.ph/uploads/SECFilings/Attendance%20to%202017%20meetings.pdf</a>	
4. Company requires as minimum quorum of at least 2/3 for board decisions.	Compliant	Indicate the required minimum quorum for board decisions  The bylaws provide majority of the number of directors to constitute quorum. Majority and 2/3 consist of 5 as there are only 8 directors.	
<b>Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs</b>			
<b>Recommendation 5.1</b>			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Not Compliant	Provide information or link/reference to a document containing information on the number of independent directors in the board	The Company has 2 independent directors and is compliant to the minimum requirement of the Securities and Regulation Code (SRC) and Company By-laws.  The two elected independent directors are known publicly to possess integrity and probity and has efficiently and competently performed their functions and greatly contributed to the success of the Company. One independent director (ID) was a former Chief Justice of the Philippines and the other is a Philippine

			<p>Representative to the United Nations. Both IDs are adept in law and governance not only in the Philippines but even in international field.</p> <p><b>SEC 17-C Disclosure</b></p> <p><a href="https://www.asianterminals.com.ph/uploads/SECFilings/ASM,%20Org%20Meeting%20and%20Dividends.pdf">https://www.asianterminals.com.ph/uploads/SECFilings/ASM,%20Org%20Meeting%20and%20Dividends.pdf</a></p>
<b>Recommendation 5.2</b>			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	Provide information or link/reference to a document containing information on the qualifications of the independent directors. Stated as Annexes "A" and "A-1" of the <b>Information Statement</b>	
<b>Supplement to Recommendation 5.2</b>			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	Provide link/reference to a document containing information that directors are not constrained to vote independently. Item 4 No. 3 Page 5, of the <b>Information Statement</b> states that voting trusts or similar agreement do not exist.	
<b>Recommendation 5.3</b>			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	Provide information or link/reference to a document showing the years IDs have served as such. Both Artemio Panganiban and Teodoro L. Locsin Jr. were elected in 2010. For the current year, both have cumulative term of 6 years beginning 2012. Pages 7 and 8 of the <b>Information Statement</b> .	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director Part II (4) (B) (b) page 10 of the <b>CG Manual</b>	
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	Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.  Part II (4) (B) (b) page 10 of the <b>CG Manual</b>	

approval during the annual shareholders' meeting.			
<b>Recommendation 5.4</b>			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	Identify the company's Chairman of the Board and Chief Executive Officer Chairman : Andrew R. Hoad President: Eusebio H. Tanco	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer. Identify the relationship of Chairman and CEO. <b><u>By Laws, Article VI Sections 6 and 7</u></b> <a href="https://www.asianterminals.com.ph/uploads/ArticlesByLaws/2016%20Amended%20by%20Laws%20of%20ATI.pdf">https://www.asianterminals.com.ph/uploads/ArticlesByLaws/2016%20Amended%20by%20Laws%20of%20ATI.pdf</a>	
<b>Recommendation 5.5</b>			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Not Compliant	Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any. Indicate if Chairman is independent.	The Chairman is not an independent director and no lead director between the 2 independent directors was designated. The Chairman is elected by the directors themselves during the Organizational Meeting. Both the independent directors chair separate Board Committees that enables them to exercise their functions independently. Also, at least one independent director is appointed in each of the board committees
<b>Recommendation 5.6</b>			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	Provide proof of abstention, if this was the case There were no transactions for deliberation in 2017. ATI complied with abstention requirement in the past (prior to 2017), for such transactions.	

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.	Not Compliant	Provide proof and details of said meeting, if any. Provide information on the frequency and attendees of meetings.	There was no meeting held. However, the Board/Audit Comm, is open to entertain executive sessions as required.
2. The meetings are chaired by the lead independent director.	Not Compliant		There was no meeting held. However, the Board/Audit Committee, is open to entertain executive sessions as required.
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.		Provide name/s of company CEO for the past 2 years	
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. Board conducts an annual self-assessment of its performance as a whole.	Not Compliant	Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees  Self-assessment is in place for the Audit Committee. <b>Company Website.</b> <a href="https://www.asianterminals.com.ph/uploads/SECFilings/2016%20Audit%20Comm%20Self%20Assessment.pdf">https://www.asianterminals.com.ph/uploads/SECFilings/2016%20Audit%20Comm%20Self%20Assessment.pdf</a>	The company's first self-assessment for the 2017-2018 performance is scheduled in the 3 <sup>rd</sup> quarter of 2018 which is a year after the amendment of the Corporate Governance Manual that required self-assessment process. The Board's effective performance is reflected on the good results achieved by the Company for the past several years. With the right mix of backgrounds and competencies, the objectives or targets of the company are achieved.
2. The Chairman conducts a self-assessment of his performance.	Not Compliant		As mentioned above, the company's first self-assessment for the 2017-2018 performance is scheduled in the 3 <sup>rd</sup>



			quarter of 2018 which is a year after the amendment of the Corporate Governance Manual that required self-assessment process.
3. The individual members conduct a self-assessment of their performance.	Not Compliant		As mentioned above, the company's first self-assessment for the 2017-2018 performance is scheduled in the 3 <sup>rd</sup> quarter of 2018 which is a year after the amendment of the Corporate Governance Manual that required self-assessment process.
4. Each committee conducts a self-assessment of its performance.	Not Compliant		As mentioned above, the company's first self-assessment for the 2017-2018 performance is scheduled in the 3 <sup>rd</sup> quarter of 2018 which is a year after the amendment of the Corporate Governance Manual that required self-assessment process.
5. Every three years, the assessments are supported by an external facilitator.	Not Compliant	Identify the external facilitator and provide proof of use of an external facilitator.	The requirement for the external facilitator would be on year 2020.
<b>Recommendation 6.2</b>			
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.	Not Compliant	Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders For the minimum criteria for Board Committees' performance: <b><u>Company Website</u></b> <b><u>Compensation Committee Charter</u></b> page 2 <a href="https://www.asianterminals.com.ph/uploads/BoardCommittees/(V2)Compensation%20Comm%20Charter.pdf">https://www.asianterminals.com.ph/uploads/BoardCommittees/(V2)Compensation%20Comm%20Charter.pdf</a> <b><u>Nomination Committee Charter</u></b> , page 4	As mentioned above, the company's first self-assessment for the 2017-2018 performance is scheduled in the 3 <sup>rd</sup> quarter of 2018 which is a year after the amendment of the Corporate Governance Manual that required self-assessment process. For the Board committees performance shall be compared to the requirements specified in their respective charters.

		<a href="https://www.asianterminals.com.ph/uploads/BoardCommittees/(V2)NomComm%20Charter%20.pdf">https://www.asianterminals.com.ph/uploads/BoardCommittees/(V2)NomComm%20Charter%20.pdf</a> <b>Corporate Governance Committee Charter</b> , Page 2 <a href="https://www.asianterminals.com.ph/uploads/BoardCommittees/(V2)%20CG%20COMM.pdf">https://www.asianterminals.com.ph/uploads/BoardCommittees/(V2)%20CG%20COMM.pdf</a> <b>Audit Committee Charter</b> , page 5 <a href="https://www.asianterminals.com.ph/uploads/SECFilings/2016%20Audit%20Comm%20Self%20Assessment.pdf">https://www.asianterminals.com.ph/uploads/SECFilings/2016%20Audit%20Comm%20Self%20Assessment.pdf</a>	
2. The system allows for a feedback mechanism from the shareholders.	Not Compliant		The assessment will be disclosed in the Annual Report to be submitted to the SEC and PSE. Stockholders, during the annual meeting in the following year will have the opportunity to convey their feedbacks.

**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	Provide information on or link/reference to the company's Code of Business Conduct and Ethics (CBCE). The Code is applicable to employees, directors and officers. <b>Company Website:</b> <a href="https://www.asianterminals.com.ph/ati_corpgov_conductandethics.aspx">https://www.asianterminals.com.ph/ati_corpgov_conductandethics.aspx</a> The company has zero tolerance policy on bribery and corruption. The company's Anti-Bribery and Corruption policy is regularly cascaded to employees, on top of frequent information campaigns on the subject matter (e.g. email reminder, company memo, posters/tarpaulins). Any employee who is found to have violated the policy after due process is terminated from work. The company likewise has a whistleblowing program that provides an avenue for the disclosure of information related to suspected wrongdoing at work, including bribery and corruption, and ensures that appropriate steps are taken.	
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2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees. The Code is posted on the <b>Company Website</b> . Scheduled cascading of the Code and other related policies, to the Management and employees were conducted.	
3. The Code is disclosed and made available to the public through the company website.	Compliant	Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed. <b>Company Website</b> <a href="https://www.asianterminals.com.ph/ati_corpgov_conductandethics.aspx">https://www.asianterminals.com.ph/ati_corpgov_conductandethics.aspx</a>	
<b>Supplement to Recommendation 7.1</b>			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Compliant	Provide information on or link/reference to a document containing information on the company's policy and procedure on curbing and penalizing bribery. <b>Company Website</b> <a href="https://www.asianterminals.com.ph/ati_corpgov_conductandethics.aspx">https://www.asianterminals.com.ph/ati_corpgov_conductandethics.aspx</a> The company has zero tolerance policy on bribery and corruption. The company's Anti-Bribery and Corruption policy is regularly cascaded to employees, on top of frequent information campaigns on the subject matter (e.g. email reminder, company memo, posters/tarpaulins). Any employee who is found to have violated the policy after due process is terminated from work. The company likewise has an ombudsman program that provides an avenue for the disclosure of information related to suspected wrongdoing at work, including bribery and corruption, and ensures that appropriate steps are taken.	
<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	Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies. Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on noncompliance.	
2. Board ensures the proper and efficient implementation and	Compliant	<b>Company Website</b> <a href="https://www.asianterminals.com.ph/ati_corpgov_conductandethics.aspx">https://www.asianterminals.com.ph/ati_corpgov_conductandethics.aspx</a>	

monitoring of compliance with company internal policies.		As stated in the CBCE compliance is expected from every director, officer and employee of ATI. Constant reminders by email and orientations/trainings are sent/ conducted throughout the organization. Campaigns against bribery are also reinforced through posters placed in company bulletin boards and conspicuous places within the Company premises. The Company appointed an AVP for Compliance and Leadership and Ombudsman to closely monitor compliance and implementation.	
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**The Board's Governance Responsibilities**

**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	Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders Being a publicly listed Company, we are compliant with the disclosure requirements of SEC and PSE. <b>Company Website</b> <a href="https://www.asianterminals.com.ph/ati_sec_disclosures.aspx">https://www.asianterminals.com.ph/ati_sec_disclosures.aspx</a> <a href="https://www.asianterminals.com.ph/ati_pse_disclosures.aspx">https://www.asianterminals.com.ph/ati_pse_disclosures.aspx</a>	
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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	Indicate the number of days within which the consolidated and interim reports were published, distributed or made available from the end of the fiscal year and end of the reporting period, respectively.  <b>Consolidated Financial statements</b> – within 60 to 70 days from end of fiscal year. It is <b>attached to the Information Statement</b> disclosed to the SEC and PSE <b>Interim reports</b> - average of 43 days from the end of each quarter. <b>SEC 17-Q disclosures.</b> <a href="https://www.asianterminals.com.ph/ati_sec_disclosures.aspx">https://www.asianterminals.com.ph/ati_sec_disclosures.aspx</a>	
2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree	Compliant	Provide link or reference to the company's annual report where the following are disclosed: 1. principal risks to minority shareholders associated with the identity of the company's controlling shareholders;	

<p>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>2. cross-holdings among company affiliates; and 3. any imbalances between the controlling shareholders' voting power and overall equity position in the company. The Company discloses the Security Ownership of Record and beneficial Owners and of the Management in the Information Statement. Pages 3 to 5 of the <b>Information Statement</b>.</p>	
<b>Recommendation 8.2</b>			
<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>Not Compliant</p>	<p>Provide information or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share. Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.</p>	<p>The Company complies with the SEC regulations on dealings of directors and officers in the Company shares within the required period provided by the SRC but not within 3 business days as recommended. <a href="https://www.asianterminals.com.ph/uploads/SECFilings/ATI23B-2017%20EHT.pdf">https://www.asianterminals.com.ph/uploads/SECFilings/ATI23B-2017%20EHT.pdf</a>  <a href="https://www.asianterminals.com.ph/uploads/SECFilings/ATI%2023B%20-%20EHT%20December%202017.pdf">https://www.asianterminals.com.ph/uploads/SECFilings/ATI%2023B%20-%20EHT%20December%202017.pdf</a>  <a href="https://www.asianterminals.com.ph/uploads/SECFilings/23-B%20EHT-Eujo%20(Jan%202018).pdf">https://www.asianterminals.com.ph/uploads/SECFilings/23-B%20EHT-Eujo%20(Jan%202018).pdf</a></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>Not Compliant</p>		<p>The Company complies with the SEC regulations on dealings of officers in the Company shares within the required period. <a href="https://www.asianterminals.com.ph/uploads/SECFilings/ATI23B-2017%20EHT.pdf">https://www.asianterminals.com.ph/uploads/SECFilings/ATI23B-2017%20EHT.pdf</a>  <a href="https://www.asianterminals.com.ph/uploads/SECFilings/ATI%2023B%20-%20EHT%20December%202017.pdf">https://www.asianterminals.com.ph/uploads/SECFilings/ATI%2023B%20-%20EHT%20December%202017.pdf</a></p>

			<a href="https://www.asianterminals.com.ph/uploads/SECFilings/23-B%20EHT-Eujo%20(Jan%202018).pdf">https://www.asianterminals.com.ph/uploads/SECFilings/23-B%20EHT-Eujo%20(Jan%202018).pdf</a>
<b>Supplement to Recommendation 8.2</b>			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	Compliant	Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders. Provide link or reference to the company's Conglomerate Map. <b>Company Website</b> Top 100 <a href="https://www.asianterminals.com.ph/uploads/PSEDisclosures/ATI%20Top%20100%20with%20PCD%20(3-31-2018).pdf">https://www.asianterminals.com.ph/uploads/PSEDisclosures/ATI%20Top%20100%20with%20PCD%20(3-31-2018).pdf</a> Public Ownership <a href="https://www.asianterminals.com.ph/uploads/PSEDisclosures/Public%20Ownership%20Report%20(March%2031,%202018)%20-%20Copy.pdf">https://www.asianterminals.com.ph/uploads/PSEDisclosures/Public%20Ownership%20Report%20(March%2031,%202018)%20-%20Copy.pdf</a> Conglomerate Map <a href="https://www.asianterminals.com.ph/ati_conglomeratemap.aspx">https://www.asianterminals.com.ph/ati_conglomeratemap.aspx</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	Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended. Item 5 Pages 5 to 10 of the <b>Information Statement</b>	
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	Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended. Item 5 Pages 5 to 10 of the <b>Information Statement</b>	

<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	Disclose or provide link/reference to the company policy and practice for setting board remuneration Item 6 Pages 12 to 14, <b><u>Information Statement</u></b> Article IV Section 14 of the <b><u>By-Laws</u></b> .	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	Disclose or provide link/reference to the company policy and practice for determining executive remuneration Item 6 Pages 12 to 14, <b><u>Information Statement</u></b> Article VI Section 11 of the <b><u>Bylaws</u></b>	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO. Item 6 Pages 12 to 14, <b><u>Information Statement</u></b>	
<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	Disclose or provide reference/link to company's RPT policies. Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction. <b><u>Company Website</u></b> <a href="https://www.asianterminals.com.ph/ati_corpgov_policies.aspx#rpt">https://www.asianterminals.com.ph/ati_corpgov_policies.aspx#rpt</a> The Audit Committee is tasked to evaluate any probable related party transactions, Page 3 , <b><u>Audit Committee Charter</u></b> Part 2 No. 4 (E) b, page 15 of the <b><u>CG Manual</u></b>	

<p>2. Company discloses material or significant RPTs reviewed and approved during the year.</p>	<p>Compliant</p>	<p>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</p> <ol style="list-style-type: none"> <li>1. name of the related counterparty;</li> <li>2. relationship with the party;</li> <li>3. transaction date;</li> <li>4. type/nature of transaction;</li> <li>5. amount or contract price;</li> <li>6. terms of the transaction;</li> <li>7. rationale for entering into the transaction;</li> <li>8. the required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and</li> <li>9. other terms and conditions</li> </ol> <p>Item 5 No. 6 page 12, <b>Information Statement</b>.</p> <p>"The Company, through the Board last August 20, 2015, renewed the management agreement with P &amp; O Management Services, Philippines, Inc. (POMS) for a period of 5 years from September 1, 2015 to August 31, 2020. The Agreement was approved by the stockholders in the 2016 Annual Meeting. Forty percent (40%) of the outstanding capital of POMS is owned by DPWorld Australia (POAL) Pty. Ltd. (which owns 14.57% of the outstanding capital stock of ATI.</p> <p>Provide proof of abstention, if this was the case</p> <p>There were no probable related party transactions submitted for evaluation to the Audit Committee in 2017.</p>	
<b>Supplement to Recommendation 8.5</b>			
<p>1. Company requires directors to disclose their interests in transactions or any other conflict of interests.</p>	<p>Compliant</p>	<p>Indicate where and when directors disclose their interests in transactions or any other conflict of interests.</p> <p>The directors disclose all their details prior to election or before the Nomination Committee convenes to evaluate the qualifications of the nominees for directors (in case of annual election). The details (including their professional and educational backgrounds) are disclosed in <b>SEC Form 17-C</b> after their election and in the <b>Information Statement and SEC Form 17-A</b> while their transactions either in <b>SEC 23-A or SEC 23-B</b>.</p>	



Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Compliant	Provide link or reference where this is disclosed. Being a publicly listed Company, ATI complies with the disclosure rules required by both SEC and PSE including prompt disclosures. Information on properties or assets are made in Item 2 <b>SEC Form 17-A</b> pages 1 to 6 and on the <b>Management Report attached to the Information Statement</b> (pages 21 to 23 and 25 to 27).	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Not Compliant	Identify independent party appointed to evaluate the fairness of the transaction price. Disclose the rules and procedures for evaluating the fairness of the transaction price, if any.	The Board did not find the necessity to appoint an independent party as there were no significant assets acquired or disposed in 2017.
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	Provide link or reference where these are disclosed. Item 4 (d) 3, page 5 of the <b>Information Statement</b>	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	Provide link to the company's website where the Manual on Corporate Governance is posted.  <a href="https://www.asianterminals.com.ph/uploads/CGManualACGR/(CG%20Manual)%20signed%20by%20Chairman%20and%20Compliance%20Officer.pdf">https://www.asianterminals.com.ph/uploads/CGManualACGR/(CG%20Manual)%20signed%20by%20Chairman%20and%20Compliance%20Officer.pdf</a>	
2. Company's MCG is submitted to the SEC and PSE.	Compliant		
3. Company's MCG is posted on its company website.	Compliant		

Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	Provide proof of submission. Page 2 of the CG Manual contains the receiving stamp of SEC. <a href="https://www.asianterminals.com.ph/uploads/CGManualACGR/(CG%20Manual)%20signed%20by%20Chairman%20and%20Compliance%20Officer.pdf">https://www.asianterminals.com.ph/uploads/CGManualACGR/(CG%20Manual)%20signed%20by%20Chairman%20and%20Compliance%20Officer.pdf</a> <b>PSE submission</b> <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=89b79b56669f78bf3318251c9257320d#sthash.ucQRPX05.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=89b79b56669f78bf3318251c9257320d#sthash.ucQRPX05.dpbs</a>	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:			
a. Corporate Objectives	Compliant	Objective or purpose in page 1 of the <b>Annual Report</b> <a href="https://www.asianterminals.com.ph/uploads/AnnualReport/ATI_AR17.pdf">https://www.asianterminals.com.ph/uploads/AnnualReport/ATI_AR17.pdf</a>	
b. Financial performance indicators	Compliant	Key Performance Indicators in page 16 (for 2017) and the last page (for 2015, 2016 and 2017) of the <b>SEC Form 17-A</b>	
c. Non-financial performance indicators	Compliant	Key Performance Indicators in page 16 of the <b>SEC Form 17-A</b>	
d. Dividend Policy	Compliant	Page 9 of the <b>SEC Form 17-A</b>	
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant	Pages 31 to 35 of the <b>SEC Form 17-A</b> Pages 58 and 59 of the <b>Annual Report</b>	
f. Attendance details of each director in all directors meetings held during the year			
g. Total remuneration of each member of the board of directors			
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.			
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	Provide link or reference to where this is contained in the Annual Report Page 6 of the <b>SEC Form 17-A</b> <a href="https://www.asianterminals.com.ph/uploads/PSEDisclosures/17A%202017%20(Final).pdf">https://www.asianterminals.com.ph/uploads/PSEDisclosures/17A%202017%20(Final).pdf</a> The Risk Profile is also reported to the Board during meetings.	
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.		Provide link or reference to where this is contained in the Annual Report	
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	Provide link or reference to where this is contained in the Annual Report Page 6 of the <b>SEC Form 17-A</b>	

**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	Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor. Part III (D) page 4 of the <b>Audit Committee Charter</b>	
2. The appointment, reappointment, removal, and fees of the external	Compliant	Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.	

auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.		On the appointment of external auditors, pages 14 and 15 of the <b><u>Information Statement</u></b> Percentage: 2017-89.07% 2018- 89.9%	
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	Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor. Pursuant to the disclosure rules, the Company will disclose any removal or change of external auditors. However, such removal or change did not occur during the year. There was a change in the Company's external auditor in 2018, pursuant to the requirement by the CG Manual and the SRC that external auditors shall either be rotated or the handling partner shall be changed every five (5) years or earlier. This was disclosed in Item 7 page 15 of the <b><u>Information Statement</u></b> .	
<b>Supplement to Recommendation 9.1</b>			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years. Part III No.2 (d) page 18 of the <b><u>CG Manual</u></b>	
<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	Compliant	Provide link/reference to the company's Audit Committee Charter Part III (D), pages 4 and 5 , <b><u>Audit Committee Charter</u></b>	

professional and regulatory requirements.			
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	Provide link/reference to the company's Audit Committee Charter Part III (D) pages 4 and 5, <b><u>Audit Committee Charter</u></b>	
<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	Provide link/reference to the company's Audit Committee Charter Part III (D) pages 4 and 5, <b><u>Audit Committee Charter</u></b>	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	Provide link/reference to the company's Audit Committee Charter Part III (D) pages 4 and 5, <b><u>Audit Committee Charter</u></b>	
<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	Disclose the nature of non-audit services performed by the external auditor, if any. Page 29 of the <b><u>SEC Form 17-A</u></b>	
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	Provide link or reference to guidelines or policies on non-audit services Page 18 of the <b><u>CG Manual</u></b>	
<b>Supplement to Recommendation 9.3</b>			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	Provide information on audit and non-audit fees paid. Page 20 of the <b><u>Management Report attached to the Information Statement</u></b>	

Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	Provide information on company's external auditor, such as: 1. Name of the audit engagement partner; <b>Enrico E. Baluyut</b> 2. Accreditation number; <b>SEC Accreditation No. 1177-AR-1 Group A</b> 3. Date Accredited; <b>May 1, 2015</b> 4. Expiry date of accreditation; <b>until May 30, 2018</b> and 5. Name, address, contact number of the audit firm. <b>RG Manabat &amp; Co.</b> <b>The KPMG Center, 9F 6787 Ayala Avenue, Makati City/ (632) 885-7000</b>	
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).	Not Compliant	Provide information on the following: 1. Date it was subjected to SOAR inspection, if subjected; 2. Name of the Audit firm; and 3. Members of the engagement team inspected by the SEC.	External auditor agreed to be subject to SOAR but to date no SOAR conducted yet for ATI.
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its	Compliant	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues. Part III pages 17 and 19, <b>CG Manual</b> Pages 22 and 23 of the <b>Annual Report</b>	

business, which underpin sustainability.			
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	Provide link to Sustainability Report, if any. Disclose the standards used. Pages 22 and 23 of the <b>Annual Report</b> Part V (c) page 23 of the <b>CG Manual</b>	
<b>Principle 11:</b> 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.			
<b>Recommendation 11.1</b>			
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	Press statements are released whenever necessary and are posted in the website. Press conferences are also held after every annual meeting where the directors and key officers answer questions from the press and stockholders. <a href="https://www.asianterminals.com.ph/ati_pressreleases.aspx">https://www.asianterminals.com.ph/ati_pressreleases.aspx</a>	
<b>Supplemental to Principle 11</b>			
1. Company has a website disclosing up-to-date information on the following:		Provide link to company website;	
a. Financial statements/reports (latest quarterly)	Compliant	<a href="https://www.asianterminals.com.ph/uploads/SECFilings/1st%20Q.pdf">https://www.asianterminals.com.ph/uploads/SECFilings/1st%20Q.pdf</a>	
b. Materials provided in briefings to analysts and media	Compliant	Annual Reports and press statements given to media <a href="https://www.asianterminals.com.ph/ati_pressreleases.aspx">https://www.asianterminals.com.ph/ati_pressreleases.aspx</a> <a href="https://www.asianterminals.com.ph/uploads/AnnualReport/ATI_AR17.pdf">https://www.asianterminals.com.ph/uploads/AnnualReport/ATI_AR17.pdf</a>	
c. Downloadable annual report	Compliant	<a href="https://www.asianterminals.com.ph/uploads/AnnualReport/ATI_AR17.pdf">https://www.asianterminals.com.ph/uploads/AnnualReport/ATI_AR17.pdf</a> <a href="https://www.asianterminals.com.ph/uploads/PSEDisclosures/17-A%202017%20(Final).pdf">https://www.asianterminals.com.ph/uploads/PSEDisclosures/17-A%202017%20(Final).pdf</a>	
d. Notice of ASM and/or SSM	Compliant	<a href="https://www.asianterminals.com.ph/uploads/StockholdersNotice/ASM%202018.pdf">https://www.asianterminals.com.ph/uploads/StockholdersNotice/ASM%202018.pdf</a>	
e. Minutes of ASM and/or SSM	Compliant	<a href="https://www.asianterminals.com.ph/ati_disclosures_minutesofmeeting.aspx">https://www.asianterminals.com.ph/ati_disclosures_minutesofmeeting.aspx</a>	

f. Company's Articles of Incorporation and By-Laws	Compliant	<p><b>Articles of Incorporation</b>  <a href="https://www.asianterminals.com.ph/uploads/ArticlesByLaws/2016%20Amended%20Articles%20(ATI).pdf">https://www.asianterminals.com.ph/uploads/ArticlesByLaws/2016%20Amended%20Articles%20(ATI).pdf</a></p> <p><b>By-Laws</b>  <a href="https://www.asianterminals.com.ph/uploads/ArticlesByLaws/2016%20Amended%20by%20Laws%20of%20ATI.pdf">https://www.asianterminals.com.ph/uploads/ArticlesByLaws/2016%20Amended%20by%20Laws%20of%20ATI.pdf</a></p>	
<b>Additional Recommendation to Principle 11</b>			
1. Company complies with SEC-prescribed website template.	Compliant	<a href="https://www.asianterminals.com.ph/index.aspx">https://www.asianterminals.com.ph/index.aspx</a>	
<b>Internal Control System and Risk Management Framework</b>			
<b>Principle 12:</b> 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.			
<b>Recommendation 12.1</b>			
1. Company has an adequate and effective internal control system the conduct of its business.	Compliant	<p>List quality service programs for the internal audit functions.  Indicate frequency of review of the internal control system  Internal reviews and supervision by the Internal Auditor of all internal audit activities. Review and approval of audit plans by the Audit Committee as well as periodic updates of any developments and internal issues encountered.  Frequency: annually</p> <p><b>Company Website</b>  <a href="https://www.asianterminals.com.ph/ati_corpgov_riskmanagement.aspx">https://www.asianterminals.com.ph/ati_corpgov_riskmanagement.aspx</a>  <a href="https://www.asianterminals.com.ph/ati_corpgov_policies.aspx#ims">https://www.asianterminals.com.ph/ati_corpgov_policies.aspx#ims</a></p>	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	<p>Identify international framework used for Enterprise Risk Management.  Provide information or reference to a document containing information on:  1. Company's risk management procedures and processes  2. Key risks the company is currently facing  3. How the company manages the key risks  Indicate frequency of review of the enterprise risk management framework.  Enterprise Risk Management framework is provided in the <b>Company Website</b>. Frequency of review is annually.</p> <p><a href="https://www.asianterminals.com.ph/ati_corpgov_riskmanagement.aspx">https://www.asianterminals.com.ph/ati_corpgov_riskmanagement.aspx</a>  <a href="https://www.asianterminals.com.ph/ati_corpgov_policies.aspx#ims">https://www.asianterminals.com.ph/ati_corpgov_policies.aspx#ims</a></p>	



**Supplement to Recommendations 12.1**

1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	Compliant	Provide information on or link/ reference to a document containing the company's compliance program covering compliance with laws and relevant regulations. Indicate frequency of review Provided in the Code of Business Conduct and Ethics <a href="https://www.asianterminals.com.ph/ati_corpgov_conductandethics.aspx">https://www.asianterminals.com.ph/ati_corpgov_conductandethics.aspx</a> Enterprise Risk Management framework is provided in the company website. Frequency of review is annually. <a href="https://www.asianterminals.com.ph/ati_corpgov_riskmanagement.aspx">https://www.asianterminals.com.ph/ati_corpgov_riskmanagement.aspx</a> <a href="https://www.asianterminals.com.ph/ati_corpgov_policies.aspx#ims">https://www.asianterminals.com.ph/ati_corpgov_policies.aspx#ims</a> The compliance with laws and regulations of regulatory bodies is also reported to the Audit Committee quarterly.	
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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	Provide information on IT governance process Key risks are identified and managed through IT Policy ITD-P-01 (Computer Security Program) which handles the process on incident and change management, risk management, backup/recovery management, security awareness, physical and hardware/software security.  While ITD-P-02 (IT DRP during Loss of South Harbor) establishes the guidelines and procedures in the event of a disaster affecting the whole South Harbor or one of the main data centers or a critical network hub.	
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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	Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.  The internal audit is in-house	
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<b>Recommendation 12.3</b>			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities. Page 62 of the Annual Report (under Executive Office) Name : <b>Mr. Brian A. Stone</b> , Internal Audit Manager <a href="https://www.asianterminals.com.ph/uploads/AnnualReport/ATI_AR17.pdf">https://www.asianterminals.com.ph/uploads/AnnualReport/ATI_AR17.pdf</a> Part IV (a and b) , page 19 of the CG Manual <a href="https://www.asianterminals.com.ph/uploads/CGManualACGR/(CG%20Manual)%20signed%20by%20Chairman%20and%20Compliance%20Officer.pdf">https://www.asianterminals.com.ph/uploads/CGManualACGR/(CG%20Manual)%20signed%20by%20Chairman%20and%20Compliance%20Officer.pdf</a> Responsibilities are in the Internal Audit Charter.	
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	Part II No. 4 (E) b, page 14 Part IV (a and b) , page 19 of the CG Manual <a href="https://www.asianterminals.com.ph/uploads/CGManualACGR/(CG%20Manual)%20signed%20by%20Chairman%20and%20Compliance%20Officer.pdf">https://www.asianterminals.com.ph/uploads/CGManualACGR/(CG%20Manual)%20signed%20by%20Chairman%20and%20Compliance%20Officer.pdf</a>	
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	Identify qualified independent executive or senior management personnel, if applicable. The Company has an in-house Internal Auditor	
<b>Recommendation 12.4</b>			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	Provide information on company's risk management function. Part IV (c) Pages 19 and 20 of the CG manual <a href="https://www.asianterminals.com.ph/uploads/CGManualACGR/(CG%20Manual)%20signed%20by%20Chairman%20and%20Compliance%20Officer.pdf">https://www.asianterminals.com.ph/uploads/CGManualACGR/(CG%20Manual)%20signed%20by%20Chairman%20and%20Compliance%20Officer.pdf</a>	
<b>Supplement to Recommendation 12.4</b>			
1. Company seeks external technical support in risk management when such competence is not available internally.	Compliant	Identify source of external technical support, if any. The Company has a competent officer handling risk management. ATI contracts Marsh Philippines as 3 <sup>rd</sup> party consultant on insurable risk. ATI is also a member of the DPW network of ports and actively participates in	

		global initiatives in evaluating, measuring, recording and monitoring enterprise risks.	
<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	Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background. Mr. Adrian Edward Baking, AVP for Business Development Key responsibilities: a) Identify enterprise risks of ATI with assistance from Risk Champions. b) Evaluate mitigating measures to address identified risks c) Maintain, review, monitor Risk Register d) Discuss periodically with EVP re Enterprise Risks.	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant	The CRO has the rank of Assistant Vice President. He is assisted by the Company's Risk Champions in the performance of his duties and a third party consultant.	
<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.	Not Compliant	Provide link to CEO and CAE's attestation	The Internal Auditor provides an annual report to the Audit Committee on the state of internal controls for the past year.
<b>Cultivating a Synergic Relationship with Shareholders</b>			
<b>Principle 13:</b> The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
<b>Recommendation 13.1</b>			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed. Part V pages 20-23, <b><u>CG Manual</u></b>	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Provide link to company's website Part V pages 20-23, <b><u>CG Manual</u></b>	

**Supplement to Recommendation 13.1**

1. Company's common share has one vote for one share.	Compliant	Article III Section 7 page 5 of the <b><u>By Laws</u></b>	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	Provide information on all classes of shares, including their voting rights if any. All shares of the Company are common. Article III Section 7 page 5 of the <b><u>By Laws</u></b> (on Voting rights) Part V page 20 , <b><u>CG Manual</u></b> (voting rights)	
3. Board has an effective, secure, and efficient voting system.	Compliant	Provide link to voting procedure. Indicate if voting is by poll or show of hands. Article III Section 7 page 5 of the <b><u>By Laws</u></b> . By poll (ballot) if required or demanded by a stockholder.	
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.	Not Compliant	Provide information on shareholder voting mechanisms such as supermajority or "majority of minority", if any.	There is no such voting mechanism. However, the CG Manual provides that the Board shall be instrumental in promoting and enhancing shareholders' rights. Part V No. 8 of the <b><u>CG Manual page 22</u></b> <a href="https://www.asianterminals.com.ph/uploads/CGManualACGR/(CG%20Manual)%20Signed%20by%20Chairman%20and%20Compliance%20Officer.pdf">https://www.asianterminals.com.ph/uploads/CGManualACGR/(CG%20Manual)%20Signed%20by%20Chairman%20and%20Compliance%20Officer.pdf</a>
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	Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution) Article III Sections 1 and 2 pages 3 and 4, <b><u>By Laws</u></b>	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	Provide information or link/reference to the policies on treatment of minority shareholders Part V Nos. 2,5 and 8, pages 20 to 22, <b><u>CG Manual</u></b>	
7. Company has a transparent and specific dividend policy.	Compliant	Provide information on or link/reference to the company's dividend Policy. Indicate if company declared dividends. If yes, indicate the number of days within which the dividends were paid after declaration. In case the company	

		has offered scrip dividends, indicate if the company paid the dividends within 60 days from declaration Part V No.6 page 22, <b>CG Manual</b> Article VII Section 2, <b>By-laws</b> Dividends were paid within 50 days from declaration.	
<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	Identify the independent party that counted/validated the votes at the ASM, if any.  R.G. Manabat and Co.	
<b>Recommendation 13.2</b>			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Compliant	Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out. Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting. Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS) The Notice as attached to the <b>Preliminary Information Statement</b> was disclosed on March 5, 2018 or 52 days from actual meeting and sent out to the stockholders together with the <b>Definitive Information Statement</b> on March 28, 2018 or 28 days before the meeting. <a href="https://www.asianterminals.com.ph/uploads/SECFilings/Preliminary%20Information%20Statement%20(final%20SET).pdf">https://www.asianterminals.com.ph/uploads/SECFilings/Preliminary%20Information%20Statement%20(final%20SET).pdf</a> <a href="https://www.asianterminals.com.ph/uploads/SECFilings/Definitive%20Information%20Statement%20(March%202020).pdf">https://www.asianterminals.com.ph/uploads/SECFilings/Definitive%20Information%20Statement%20(March%202020).pdf</a>	
<b>Supplemental to Recommendation 13.2</b>			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Compliant	Provide link or reference to the company's notice of Annual Shareholders' Meeting	
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 the directors are stated in the Information Statement. The Notice of Annual Meeting is attached to the <b>Information Statement</b> distributed to the Stockholders. <a href="https://www.asianterminals.com.ph/uploads/SECFilings/Preliminary%20Information%20Statement%20(final%20SET).pdf">https://www.asianterminals.com.ph/uploads/SECFilings/Preliminary%20Information%20Statement%20(final%20SET).pdf</a>	

		<a href="https://www.asianterminals.com.ph/uploads/SECFilings/Definitive%20Information%20Statement%20(March%202020).pdf">https://www.asianterminals.com.ph/uploads/SECFilings/Definitive%20Information%20Statement%20(March%202020).pdf</a>	
b. Auditors seeking appointment/reappointment	Compliant	<b>Information Statement</b>	
c. Proxy documents	Compliant	An instruction to the stockholders pertaining to the submission of proxy instrument if they cannot attend personally, is stated in page 2 of the Notice attached to the <b>Information Statement</b> .	
<b>Optional: Recommendation 13.2</b>			
1. Company provides rationale for the agenda items for the annual stockholders Meeting	Compliant	Provide link or reference to the rationale for the agenda Items <b>Notice attached to the Information Statement</b>	
<b>Recommendation 13.3</b>			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM. Results of the meeting were promptly disclosed to the PSE after the meeting. The results included what the stockholders' approved during the meeting. The results are posted in the <b>Company website</b> and disclosed to the <b>SEC through SEC Form 17-C</b> . <b>PSE</b> <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=dde7f0d8fdda84d643ca035510b6ec2b#sthash.YSDcYKXj.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=dde7f0d8fdda84d643ca035510b6ec2b#sthash.YSDcYKXj.dpbs</a> <b>SEC</b> <a href="https://www.asianterminals.com.ph/uploads/SECFilings/ASM,%20Org%20Meeting%20and%20Dividends.pdf">https://www.asianterminals.com.ph/uploads/SECFilings/ASM,%20Org%20Meeting%20and%20Dividends.pdf</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	Provide link to minutes of meeting in the company website. Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes. Indicate also if the voting on resolutions was by poll. Include whether there was opportunity to ask question and the answers given, if any. <b>Company Website</b> <a href="https://www.asianterminals.com.ph/ati_disclosures_minutesofmeeting.aspx">https://www.asianterminals.com.ph/ati_disclosures_minutesofmeeting.aspx</a>	

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	Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting  Yes. Item 7 Page 15 of the <b><u>Information Statement</u></b>	
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Not Compliant	Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes	<p>The alternative dispute mechanism is in the process of being formulated. Intra corporate disputes are resolved by the stockholders airing their concerns before the corporate secretary or compliance officer. The concerns are addressed by holding a dialogue with the stockholder and settled amicably, except those which would require board approval or intervention. To date no intra-corporate dispute arose.</p> <p>The Company also has an existing system on how conflicts or liabilities and obligations by the corporation and third parties arising from its transactions as port operator are resolved.</p> <p><b><u>Company Website</u></b>  <a href="https://www.asianterminals.com.ph/ati_corpgov_conditionsofliabilities.aspx">https://www.asianterminals.com.ph/ati_corpgov_conditionsofliabilities.aspx</a>  <a href="https://www.asianterminals.com.ph/ati_corpgov_claimsnotification.aspx">https://www.asianterminals.com.ph/ati_corpgov_claimsnotification.aspx</a>  <a href="https://www.asianterminals.com.ph/ati_corpgov_unpaidportcharges.aspx">https://www.asianterminals.com.ph/ati_corpgov_unpaidportcharges.aspx</a></p>
2. The alternative dispute mechanism is included in the	Compliant	Provide link/reference to where it is found in the Manual on Corporate Governance	

company's Manual on Corporate Governance.		A provision on alternative dispute resolution is included in Part II No. 1 (E) page 5 of the <b>CG Manual</b> <a href="https://www.asianterminals.com.ph/uploads/CGManualACGR/(CG%20Manual)%20signed%20by%20Chairman%20and%20Compliance%20Officer.pdf">https://www.asianterminals.com.ph/uploads/CGManualACGR/(CG%20Manual)%20signed%20by%20Chairman%20and%20Compliance%20Officer.pdf</a>	
<b>Recommendation 13.5</b>			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	Disclose the contact details of the officer/office responsible for investor relations, such as: 1. Name of the person: Office of the Corporate Communications Manager 2. Telephone number 528-6000 3. Fax number 527-3647 4. E-mail address Email: <a href="mailto:marketing@asianterminals.com.ph">marketing@asianterminals.com.ph</a> <a href="mailto:corpcom@asianterminals.com.ph">corpcom@asianterminals.com.ph</a>	
2. IRO is present at every shareholder's meeting.	Compliant	Indicate if the IRO was present during the ASM. YES	
<b>Supplemental Recommendations to Principle 13</b>			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Not Compliant	Provide information on how antitakeover measures or similar devices were avoided by the board, if any.	The Company's performance management process and the board nomination process serve as adequate mechanisms to ensure the retention of efficient and competent management and replacement of inefficient ones.
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Compliant	Indicate the company's public float. 65.45%	
<b>Optional: Principle 13</b>			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting		Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM	



2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.		Disclose the process and procedure for secure electronic voting in absentia, if any.	
<b>Duties to Stakeholders</b>			
<b>Principle 14:</b> 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.			
<b>Recommendation 14.1</b>			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	Identify the company's stakeholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders. The stakeholders are identified in the <b>Company Website</b> <a href="https://www.asianterminals.com.ph/ati_corpgov_corpres.aspx">https://www.asianterminals.com.ph/ati_corpgov_corpres.aspx</a>  Pages 22 to 24 of the <b>Annual Report</b>	
<b>Recommendation 14.2</b>			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	Identify policies and programs for the protection and fair treatment of company's stakeholders. Pursuant to the <b>Integrated Management System Policy</b> the Company shall implement an integrated occupational health, safety, environment, security and quality management system (OHSES&Q) compliant with internationally recognized standards. <b>Company Website</b> <a href="https://www.asianterminals.com.ph/ati_corpgov_policies.aspx">https://www.asianterminals.com.ph/ati_corpgov_policies.aspx</a> The Company also has a <b>Corporate Responsibility Policy</b> <a href="https://www.asianterminals.com.ph/ati_corpgov_policies.aspx#corpres">https://www.asianterminals.com.ph/ati_corpgov_policies.aspx#corpres</a>	
<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	Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights. Provide information on whistleblowing policy, practices and procedures for stakeholders  For any concerns or complaints of stakeholders, the website provides a channel to address such concerns/ complaints.	

		<a href="https://www.asianterminals.com.ph/ati_contactus.aspx">https://www.asianterminals.com.ph/ati_contactus.aspx</a> <a href="https://www.asianterminals.com.ph/ati_corpgov_policies.aspx#whistleblow">https://www.asianterminals.com.ph/ati_corpgov_policies.aspx#whistleblow</a>	
<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>Provide information on the alternative dispute resolution system established by the company.</p> <p>Although not specifically termed as alternative dispute mechanism, a system to address claims is provided and posted in the website.</p> <p><a href="https://www.asianterminals.com.ph/ati_corpgov_claimsnotification.aspx">https://www.asianterminals.com.ph/ati_corpgov_claimsnotification.aspx</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 being taken to finally comply with the applicable law, rule or regulation.	Compliant	<p>Disclose any requests for exemption by the company and the reason for the request.</p> <p>During the submission of the Certificate of Qualification as an Independent Director which was required by SEC to be attached to the distributed Information Statement, a request to the SEC was sent to be allowed to submit the permission of the Department of Foreign Affairs relative to the nomination of Atty. Teodoro L. Locsin Jr. to continue to serve as independent director of ATI. An undertaking was made by ATI as the permission from DFA was sent by mail. The said permission was submitted to the SEC immediately upon receipt.</p> <p>Page 10 of the <b>Information Statement</b></p>	
2. Company respects intellectual property rights.	Compliant	<p>Provide specific instances, if any.</p> <p>The Company only uses licensed softwares in its operations.</p>	
<b>Optional: Principle 14</b>			
1. Company discloses its policies and practices that address customers' welfare	Compliant	<p>Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same.</p> <p><b>Company Website</b></p> <p><a href="https://www.asianterminals.com.ph/ati_corpgov_policies.aspx#ims">https://www.asianterminals.com.ph/ati_corpgov_policies.aspx#ims</a>  <a href="https://www.asianterminals.com.ph/ati_corpgov_policies.aspx#corpres">https://www.asianterminals.com.ph/ati_corpgov_policies.aspx#corpres</a></p>	
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Compliant	<p>Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same.</p> <p><b>Company Website</b></p>	

[https://www.asianterminals.com.ph/ati\\_corpgov\\_policies.aspx#ims](https://www.asianterminals.com.ph/ati_corpgov_policies.aspx#ims)  
[https://www.asianterminals.com.ph/ati\\_corpgov\\_policies.aspx#corpres](https://www.asianterminals.com.ph/ati_corpgov_policies.aspx#corpres)

**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	Provide information on or link/reference to company policies, programs and procedures that encourage employee participation. Pages 16 and 17 of the <b>Annual Report</b>	
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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	Disclose if company has in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders. The Company has existing Performance Appraisal process that enumerates the Key Performance Indicators aligned with the corporate objectives or target of the Company. Measurement is agreed or set at the beginning of the year and assessment is done twice a year. Remuneration and incentives depend on the results of the assessment.	
2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any. <b>The Integrated Management Systems Policy, Company Website</b> <a href="https://www.asianterminals.com.ph/ati_corpgov_policies.aspx#ims">https://www.asianterminals.com.ph/ati_corpgov_policies.aspx#ims</a> Page 23 of the <b>Annual Report</b>	
3. Company has policies and practices on training and development of its employees.	Compliant	Disclose and provide information on policies and practices on training and development of employees. Include information on any training conducted or attended. Pages 16 and 17 of the Annual Report	

		<i>List of trainings held and number of employees who attended is attached as ANNEX "B" herein.</i>	
<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	Identify or provide link/reference to the company's policies, programs and practices on anti-corruption. <b>Company Website</b> <a href="https://www.asianterminals.com.ph/ati_corpgov_conductandethics.aspx">https://www.asianterminals.com.ph/ati_corpgov_conductandethics.aspx</a>	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	Identify how the board disseminated the policy and program to employees across the organization. The company's anti-bribery and corruption policy is regularly cascaded to all employees, on top of frequent information campaigns on the matter. (e.g. email reminder, company memo, posters/tarpaulins) The company's zero tolerance policy on anti-bribery and corruption is likewise included in the orientation of all newly-hired employees. The company likewise has a whistleblowing program that provides an avenue for the disclosure of information related to suspected wrongdoing at work, including bribery and corruption, and ensures that appropriate steps are taken.	
<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	Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices. Include any finding of violations of the company policy. <b>Company Website</b> <a href="https://www.asianterminals.com.ph/ati_corpgov_conductandethics.aspx">https://www.asianterminals.com.ph/ati_corpgov_conductandethics.aspx</a> The company has zero tolerance policy on bribery and corruption. The company's Anti-Bribery and Corruption policy is regularly cascaded to employees, on top of frequent information campaigns on the subject matter (e.g. email reminder, company memo, posters/tarpaulins). Any employee who is found to have violated the policy after due process is terminated from work. Last year, the company has terminated 2 employees for breaching the policy. The company likewise has a whistleblowing program that provides an avenue for the disclosure of information related to suspected wrongdoing at work,	

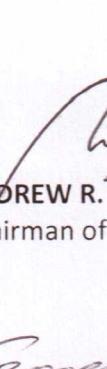
		including bribery and corruption, and ensures that appropriate steps are taken.	
<b>Recommendation 15.3</b>			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Compliant	Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees. Indicate if the framework includes procedures to protect the employees from retaliation. Provide contact details to report any illegal or unethical behavior. <b>Company Website</b> <a href="https://www.asianterminals.com.ph/ati_corpgov_conductandethics.aspx">https://www.asianterminals.com.ph/ati_corpgov_conductandethics.aspx</a> The company's whistleblowing policy ensures protection of the whistleblower from retaliation. Employees are provided various confidential avenues to report such as thru Human Resources, Audit, or the Company Ombudsman. Hotlines and contact details are published in the company intranet, and in regular information campaigns.	
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	While there are various confidential avenues to report whistleblowing concerns, the Company Ombudsman and/or Head of Audit are specifically tasked to look into and handle whistleblowing concerns.	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing. The Company Ombudsman and/or Head of Audit are generally tasked to enforce the company's whistleblowing framework and reports to senior management and/or Board any validated and significant finding	
<b>Principle 16:</b> The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
<b>Recommendation 16.1</b>			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial	Compliant	Provide information or reference to a document containing information on the company's community involvement and environment-related programs. Press releases in the <b>Company Website</b> <a href="https://www.asianterminals.com.ph/ati_pressreleases.aspx">https://www.asianterminals.com.ph/ati_pressreleases.aspx</a>	

relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.		Page 22 of <b>Annual Report</b>	
<b>Optional: Principle 16</b>			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	Compliant	Identify or provide link/reference to policies, programs and practices to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development. <b>Company Website</b> <a href="https://www.asianterminals.com.ph/ati_corpgov_policies.aspx#corpres">https://www.asianterminals.com.ph/ati_corpgov_policies.aspx#corpres</a>	
2. Company exerts effort to interact positively with the communities in which it operates	Compliant	Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates. Press releases in the <b>Company Website</b> and Page 22 of <b>Annual Report</b>	

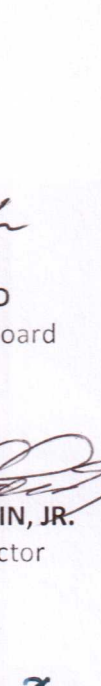



Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report I-ACGR is signed on behalf of the registrant by the undersigned; thereunto duly authorized, in the City of Manila on May 30, 2018.

**SIGNATURES**

  
**ANDREW R. HOAD**  
 Chairman of the Board

  
**EUSEBIO H. TANCO**  
 President

  
**TEODORO L. LOCSIN, JR.**  
 Independent Director

  
**ARTEMIO V. PANGANIBAN**  
 Independent Director

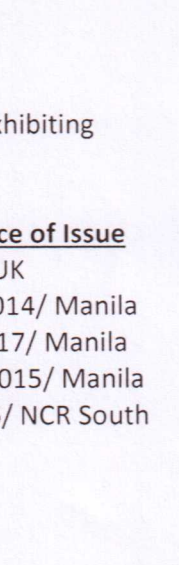
  
**RODOLFO G. CORVITE, JR.**  
 Corporate Secretary/  
 Compliance Officer

**SUBSCRIBED AND SWORN** to before me this MAY 30 2018 day of May 2018 affiant(s) exhibiting to me their IDs, as follows:

<u>Name</u>	<u>ID</u>	<u>Date and Place of Issue</u>
Andrew R. Hoad	Passport No. 538803908	June 22, 2017/ UK
Eusebio H. Tanco	Passport No. EC2037045	September 4, 2014/ Manila
Teodoro L. Locsin Jr.	Passport No. D0001688A	February 16, 2017/ Manila
Artemio V. Panganiban	Passport No. DE0013400	December 15, 2015/ Manila
Rodolfo G. Corvite, Jr.	Passport No. P0014227A	August 22, 2016/ NCR South

**NOTARY PUBLIC**

Doc No. 787  
 Page No. 158  
 Book No. 11  
 Series of 2018

  
**ATTY. GILBERTO B. PASIMANERO**  
 Notary Public Until Dec. 31, 2019  
 Notarial Commission 2018-015 Mla.  
 IBP# 012434 Pasig 7-27-17 until 2019  
 PTR# Mla 6993997- 1-4-2018  
 Roll# 25473, TIN# 103-098-346  
 MCBE Compl. No. V-0006269 until 4-14-19



Chief Justice ARTEMIO V. PANGANIBAN (Ret.)

1203 Acacia St., Dasmariñas Village  
Makati City, Philippines  
Telephone No. 843-2654, Fax No. 779-7040  
email: [chiefjusticepanganiban@hotmail.com](mailto:chiefjusticepanganiban@hotmail.com)  
Website: [cjpanganiban.com](http://cjpanganiban.com)

May 3, 2017

Atty. Rodolfo G. Corvite, Jr.  
Corporate Secretary, Asian Terminals Inc.  
ATI Bldg., A. Bonifacio Drive  
Port Area, Manila 1018

Dear Atty. Corvite,

May we inform you that Chief Justice Artemio V. Panganiban (Ret.) has been elected Independent Director of Asian Hospital, Inc. (AHI), a non-listed company, during their Annual Stockholders Meeting held May 2, 2017 at the Bellevue Hotel, Alabang, Muntinlupa City.

Asian Hospital and Medical Center is a tertiary care hospital in the Southern Luzon corridor of Metropolitan Manila. His election into the AHI Board does not in any way conflict with his functions, duties and responsibilities in Asian Terminals, Inc.

We are disclosing this information in line with the transparency provisions of applicable laws and regulations governing publicly-listed corporations.

Thank you for your attention.

Respectfully yours,

  
Maria Victoria M. Romualdez  
Executive Assistant



Training	Title	No. of attendees
<b>Behavioral/ Leadership Related</b>	Asteu Leadership Training; Compliance to the IRR of the Data Privacy Act and Implementation Best Practices; Corporate Governance Updates and Economic Briefing; CUSTOMER SERVICE; Effective Leadership; Effective Presentation Training; Fatigue Awareness; Hogan Personality Survey Training; iLearn Modern Day Slavery Awareness; Leadership and Innovation Workshop; Leadership Training; Leadership Workshop	521
<b>Engineering Related</b>	Driving Lessons; Driving Lesson Refresher Training; 6 Sigma Green Belt Certification Training; Foundation to Machinery Lubrication w/ MLT Exam ;Kone Crane 15 ton FL Operation & Maintenance Training; Liebherr Training; Machine Control Analysis; Mainpac Training; OVERHEAD SPREADER TRAINING	168
<b>Health, Safety, Environment and Security Related</b>	Advanced Fire Fighting Training; Basic Fire Safety & Emergency Preparedness/Confined Space/Working at Heights; Basic Fire Safety and Emergency Preparedness Training; Basic Fire Safety and ERP Training; Basic Occupational Safety and Health; Basic Pollution Control Officer; BOSH for Nurses; Cancer Awareness; CIR Awareness; CIR Reporting, HIRAC and Change Management; CIR Reporting/Safety Engagement; CIR Reporting/Safety Observation Training; Confined Space and Vessel Inspection Checklist; Confined Space Entry Training; Contractor Safety; Dangerous Goods and Hazardous Waste Response; Defensive Driving; Defensive Driving Refresher; Documents and Records Management; Drug Awareness; Fatigue Awareness; Fire Safety & Emergency Response Procedure; General Windspeed Alarm System; HIRAC/IMS Awareness/Change Management; HIRAC/IMS Training; IMS Awareness/Policies & Procedure; IMS Internal Auditing Training; Incident Report System Training; Loss Control Management; NEBOSH; Root Cause Analysis Training; Safety Engagement; Safety Training for Supervisors 3; Safety Training for Supervisors and Incident Report Making; Safety Training for Supervisors; Scaffolding NC2 Training; Service Vehicle Operations/No Walk Zone Safety Training; Supervisor Safety Training; Vessel Safety Inspection Checklist; Vessel Safety Refresher Training ; Vessel Safety Training; Vessel Safety/Confined Space Orientation; Weather Disturbance Orientation; Working and Rescue at Heights; Working at Heights Training; Working at Heights Training for Manlift Operators	816

Training	Title	No. of attendees
<p><b>Operations Related</b></p>	<p>Advanced Load Slinging and Rigging Training; Aerial Lift Training; All Purpose Personnel Training; APP Refresher; ATIB Car Park Simulation Training; ATIB Multi Level Car Park Training; ATIB/Multi Level Car Park Training / Assessment; Auto Stack Profiling – OJT; Basic Container Appreciation Course; Basic Forklift Operations Training; Basic Supervisory Skills Training; Berthing and Planning Operations; Buddy Trainer Refresher Training; CBU OJT; CBU Refresher; CBU Training; CBU Training / Ship Crane Training; CBU/RORO Operations; CHE OJT; CHE Orientation; CHE Training; CHE Training (classroom); Checkers Basic Skill Program; Checkers Training; CIR Related Refresher &amp; Assessment; Confined Space Rescue; Construction Project Management Course; CTD Supervisor Training; Dangerous Good Awareness Training; Deck Master Training; Dispatcher Training; DP World OS 3 Refresher Training; Driving Lesson OJT; Driving Lesson Training; Equipment Operations Training; Fatigue Awareness; FL Training ; FL Training (Classroom); FL Training (OJT); Forklift Training; Forklift 3.5 &amp; 15 Tonners Training; Forklift Training – Classroom; FORKLIFT OJT; Forklift Refresher Training; Forklift Training (10T); Fundamentals of Rigging; Gate Checker Training; Gate Keeper Refresher ; Gatekeeper Training; General Cargo Operations Training; GSD Basic Skill Program; GSD Operations Immersion; GSD Supervisor; Heavy Equipment Ramp and Lowbed Operations; iLearn - Vessel Planning Sparcs; iLearn - Yard Planning Sparcs iLearn SPARCS Basics; ITV and CBU Training; ITV Refresher; ITV Training; Lashing and Unlashing Refresher Training; LINDE 3.5 Tonners Refresher; Man Lift Classroom Training; Man Lift Training; Mooring &amp; Unmooring Operations Training; Mooring Operations; Mooring Operations Refresher; OHS Specialized Training; Operator's Training for AIRO Scissor Lift Xizen; Porter Training; QC Auto Stack Profiling; QC Competency Assessment; QC Refresher; QC Training; Radio Land Mobile Licensing Seminar; Reach Stacker OJT; Reach Stacker Training; Reefer Technician Training; Rice Bagged Cargo Refresher Training; Rice Bagged Refresher Training; RTG Anti Collision Sensors; RTG Classroom; RTG OJT; RTG Crane Training RTG Refresher; RTG Training; RTG Training (OJT); Scaffold Safety; Scissor Lift Training; Securing Empty Containers During Inclement Weather; Ship's Crane Refresher; Side Loader / Reachstacker Training; Side Loader Refresher Standard Hand Signal Supervisor Refresher Training Supervisors Training Vessel Safety Vessel Safety Refresher Winchman Refresher Course</p>	<p>1,956</p>

Training	Title	No. of attendees
<b>Support Unit Related (HR, Finance, Information Technology, Commercial and Marketing, etc.)</b>	19th Basic Non - Life Insurance Course Daytime; Advanced Excel; Advanced MS Excel Training Attendance; Beyond the Fraud Triangle; Competency Based Interview; Compliance to the IRR of the data privacy act and implementation best practices; CORPORATE ORIENTATION; Data Protection Officers' Briefing; Duterte Government's New PPP Programs; Effective Presentation; Excel Training with VBA; GTAG Educational Series; Implementing Microsoft Azure Infrastructure Solutions; KPI Training; Learning Management System; Local Government & Real Property Taxation; Negotiate to Win Masterclass; Pag-Ibig Provident and Housing Loan Briefing; Philcare Orientation; Specialized Seminar on Labor Relations and DOLE; Training Coordinator Meeting; Training Needs Analysis	367