

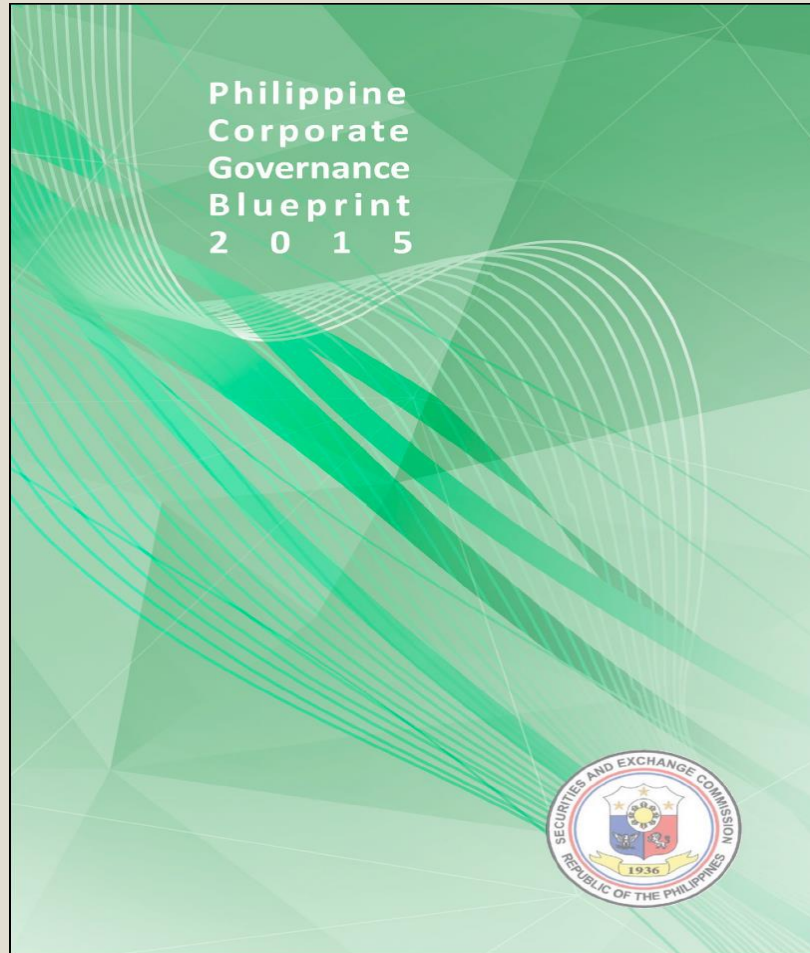
Integrated Annual Corporate Governance Report (I-ACGR)

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**Securities and
Exchange
Commission**
P H I L I P P I N E S

Background



First Action Item for Implementation:

CODE OF CORPORATE
GOVERNANCE FOR PUBLICLY-
LISTED COMPANIES



Another Action Item for
Implementation:

RATIONALIZATION OF CORPORATE
GOVERNANCE REPORTORIAL
REQUIREMENTS

Integrated Annual Corporate Governance Report (I-ACGR)

- Tool to disclose publicly-listed companies' compliance/non-compliance with the recommendations provided under the CG Code for PLCs, which adopts the “comply or explain” approach
- Also includes corporate governance practices found in the PSE CG Guidelines for Listed Companies and ASEAN Corporate Governance Scorecard
- Expected to contain all relevant information and disclosure with regard to PLCs' corporate governance policies and practices
- Submitted to both SEC and PSE as compliance with the corporate governance reportorial requirement.



Integrated Annual Corporate Governance Report (I-ACGR)

The items in the I-ACGR are comprised of the following:

1. Recommendations



These are the same recommendations found in the Code of Corporate Governance for PLCs

2. Supplement to Recommendation



These are the recommendations from the PSE CG Guidelines for Listed Companies

3. Additional Recommendations



Recommendations not included in the CG Code and PSE Guidelines but are expected already of PLCs

4. Optional Recommendations



Recommendations from the ASEAN Corporate Governance Scorecard



I-ACGR Template

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

Recommended CG Practice/Policy	Compliance/ Non-compliant	Additional Information	Explanation
Contains the recommended CG Practice/Policy	The company will indicate compliance or non-compliance with the recommended practice.	The company will provide additional information to support their compliance with the recommended CG practice	<p>The PLCs will provide the explanations for any non-compliance, pursuant to the “comply or explain” approach.</p> <p>Please note that the explanation given should describe the non-compliance and include how the overall Principle being recommended is still being achieved by the company.</p>

I-ACGR Template (Example)

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

Recommended CG Practice/Policy	Compliance/ Non-compliant	Additional Information	Explanation
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.		Provide information or link/reference to a document containing information on the following:	
2. Board has an appropriate mix of competence and expertise.		Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors	
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.		Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance	

Required Signatories of the I-ACGR

1. Chairman of
the Board

2. Chief
Executive Officer
or President

3. All Independent
Directors

4. Compliance
Officer

5. Corporate
Secretary



Due Date of Submission of the I-ACGR

All companies already **listed in the PSE by 31 December of a given year** shall submit the I-ACGR subject to the following guidelines:

1. Three copies of a fully accomplished I-ACGR shall be submitted **May 30 of the following year** for every year that the company remains listed in the PSE;
1. At least one (1) complete copy of the Report filed with the Commission shall bear **original and manual** signatures;
1. The I-ACGR shall cover all relevant information from January to December of a given year.

*It is expected that the companies, regardless of listing dates, would already have certain Corporate Governance practices in place. Hence, they can already answer the I-ACGR by May 30 of the following year.



Penalties

VIOLATION	BASIC PENALTY	MONTHLY PENALTY
Non/Late Submission	Php50,000.00	Php5,000.00
Disclosure(s)		
a. Incomplete (i.e. no explanation provided; no alternative practices to achieve over-all principle)	Php25,000.00	Php2,500.00
a. Misrepresentation/Misinformation	Php100,000.00	Php10,000.00
Signatory(ies)		
a. Incomplete	Php10,000.00	Php1,000.00
a. Incorrect		



Thank You!



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PHILIPPINES