

SECURITIES AND EXCHANGE COMMISSION

SEC FORM - I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended
Dec 31, 2023
2. SEC Identification Number
AS95003836
3. BIR Tax Identification Number
004-780-008-000
4. Exact name of issuer as specified in its charter
Upson International Corp.
5. Province, country or other jurisdiction of incorporation
Metro Manila, Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
Unit 2308, 23/F Capital House Tower 1, 9th Avenue corner 34th Street, Bonifacio Global
City, Taguig City
Postal Code
1635
8. Issuer's telephone number, including area code
+632 8526 7152
9. Former name, former address, and former fiscal year, if changed since last report
-

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.

Upson International Corp.

UPSON

PSE Disclosure Form I-ACGR - Integrated Annual Corporate Governance Report
Reference: SEC Code of Corporate Governance for Publicly-Listed Companies, PSE
Corporate Governance Guidelines, and ASEAN Corporate Governance Scorecard

Description of the Disclosure

This disclosure of Upson International Corp.'s Integrated Annual Corporate Governance Report is to comply with the Securities and Exchange Commission's Memorandum Circular No. 15, Series of 2017, and the Philippine Stock Exchange, Inc.'s Memorandum CN-No. 2017-0079.

Filed on behalf by:

Name	Arlene Louisa Sy
Designation	Chief Executive Officer

COVER SHEET

A S 9 5 0 0 3 8 3 6
S.E.C. Registration Number

U P S O N I N T E R N A T I O N A L C O R P .
D O I N G B U S I N E S S U N D E R T H E N A M E
A N D S T Y L E O F O C T A G O N C O M P U T E R
S U P E R S T O R E ; M I C R O V A L L E Y
C O M P U T E R S U P E R S T O R E ; G A D G E T
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G A D G E T K I N G A N D L A M P L I G H T
(Company's Full Name)

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S T R E E T , B O N I F A C I O G L O B A L C I T Y ,
T A G U I G C I T Y
(Principal Address: No. Street City / Town / Province)

Dennis F. Uy
Contact Person

8526-7152
Company Telephone Number

1 2 3 1
Month Day
Fiscal Year

I-ACGR
FORM TYPE

0 5 2 5
Month Day
Annual Meeting

Not applicable
Secondary License Type, If Applicable

C G F D
Dept. Requiring this Doc.

Not applicable
Amended Articles Number/Section

10¹
Total No. of Stockholders

Total Amount of Borrowings
Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

¹ Per the Report on the Number of Shareholders



SEC FORM - I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **December 31, 2023**
2. SEC Identification Number **AS95003836** 3. BIR Tax Identification No. **004-780-008-000**
4. Exact name of issuer as specified in its charter **Upson International Corp.**
doing business under the name and style of OCTAGON COMPUTER SUPERSTORE;
MICROVALLEY COMPUTER SUPERSTORE; GADGET WORLD; OCTAGON MOBILE; UNISO;
GADGET KING AND LAMP LIGHT
5. **Metro Manila, Philippines**
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. **Unit 2308, 23/F Capital House Tower 1, 9th Avenue cor.**
34th Street, Bonifacio Global City, Taguig City **1635**
Address of principal office Postal Code
8. **(+63 2) 8526 7152**
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

COMPLIANT/
NON-
COMPLIANT

ADDITIONAL INFORMATION

EXPLANATION

The Board's Governance Responsibilities

Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.

Recommendation 1.1

1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.

Compliant

Provide information or link/reference to a document containing information on the following:

2. Board has an appropriate mix of competence and expertise.

Compliant

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

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

Refer to "Item 5" of the Information Statements
(<https://upson.com.ph/disclosures/category/information-statements-section-20-is/>).

Last November 22, all members of the Corporation's Board and Senior Management attended a 4-hour (2:00 to 6:00 P.M.) Corporate Governance Training (covering 1) Reinforcing the Corporate Lines of

		<p>Defense; 2) Crisis Management Principles, Practices, Programs and Communication; and 3) Corporate Governance Fundamentals) conducted by the Good Governance Advocates and Practitioners of the Philippines, an SEC-accredited Training Provider (https://upson.com.ph/wp-content/uploads/2023/12/Certificates-of-Attendance-in-Corporate-Governance-Training-dated-November-22-2023.pdf).</p> <p>For the qualification and nomination of directors, refer to pages 6 and 9 of the Manual on Corporate Governance (https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf), "Section III" of the Charter of the Board of Directors (https://www.upson.com.ph/wp-content/uploads/2023/01/Charter-of-the-Board-of-Directors.pdf), and "Section III" of the Nomination Committee Charter (https://www.upson.com.ph/wp-content/uploads/2023/01/NomCom-Charter.pdf).</p>	
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Non-compliant	Identify or provide link/reference to a document identifying the directors and the type of their directorships	The Chairman is being appointed during Organizational Meetings of the Board, hence, the Corporation considers the said

			position as an executive position, which makes the Board consist of 5 non-executive directors and 5 executive directors.
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	<p>Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.</p> <p>Refer to "Section X" of the Charter of the Board of Directors (https://www.upson.com.ph/wp-content/uploads/2023/01/Charter-of-the-Board-of-Directors.pdf) and "Development and Training of Directors" in the Manual on Corporate Governance (https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf).</p>	
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	<p>Refer to "Section X" of the Charter of the Board of Directors (https://www.upson.com.ph/wp-content/uploads/2023/01/Charter-of-the-Board-of-Directors.pdf) and</p>	

		<p>"Development and Training of Directors" in the Manual on Corporate Governance (https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf).</p> <p>Last November 22, all members of the Board and Senior Management attended a 4-hour (2:00 to 6:00 P.M.) Corporate Governance Training (covering 1) Reinforcing the Corporate Lines of Defense; 2) Crisis Management Principles, Practices, Programs and Communication; and 3) Corporate Governance Fundamentals) conducted by the Good Governance Advocates and Practitioners of the Philippines, an SEC-accredited Training Provider (https://upson.com.ph/wp-content/uploads/2023/12/Certificates-of-Attendance-in-Corporate-Governance-Training-dated-November-22-2023.pdf).</p>	
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	<p>Provide information on or link/reference to a document containing information on the company's board diversity policy.</p> <p>Indicate gender composition of the board.</p>	

		<p>Refer to "Board Diversity" in the Manual on Corporate Governance (https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf).</p> <p>The Board has 9 male and 1 female (the Chief Executive Officer and President) members.</p>	
Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.		<p>Provide information on or link/reference to a document containing the company's policy and measureable objectives for implementing board diversity.</p> <p>Provide link or reference to a progress report in achieving its objectives.</p>	
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	<p>Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.</p> <p>Refer to the profile of the Corporate Secretary in "Item 5" of the Information Statements (https://upson.com.ph/disclosures/category/information-statements-sec-form-20-is/).</p>	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		

		As to its duties and functions, the Corporate Secretary is guided by mandated duties and functions provided under relevant laws, rules, and regulations issued by regulators.	
4. Corporate Secretary attends training/s on corporate governance.	Compliant	<p>Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered</p> <p>Last November 22, all members of the Board and Senior Management, including the Corporate Secretary, attended a 4-hour (2:00 to 6:00 P.M.) Corporate Governance Training (covering 1) Reinforcing the Corporate Lines of Defense; 2) Crisis Management Principles, Practices, Programs and Communication; and 3) Corporate Governance Fundamentals) conducted by the Good Governance Advocates and Practitioners of the Philippines, an SEC-accredited Training Provider (https://upson.com.ph/wp-content/uploads/2023/12/Certificates-of-Attendance-in-Corporate-Governance-Training-dated-November-22-2023.pdf).</p>	
Optional: Recommendation 1.5			
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	

		<p>materials at least five business days before scheduled meeting</p> <p>In the last meetings of the Board, the Corporate Secretary was able to release Board meeting materials/information to the Board at least 5 business days prior the scheduled meeting.</p>	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	<p>Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.</p> <p>Mr. Darwin L. Mendoza is the Compliance Officer/Head of the Corporation since 2021. Prior to joining the Corporation, he was a Governance, Corporate Affairs, and Investor Relations Officer of one of the leading developers of resorts destination and leisure properties in the Country (a publicly-listed company or PLC). Concurrently, he was also the Authorized Representative of the same Company's subsidiaries, including 2 PLCs. Mr. Mendoza also served as the Corporate Governance and Compliance Manager for a water utility PLC. He earned his bachelor of science in commerce degree, major in internal auditing from Far Eastern</p>	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant		
3. Compliance Officer is not a member of the board.	Compliant		

		<p>University. Mr. Mendoza is a member of the Good Governance Advocates and Practitioners of the Philippines and the Philippine Association of Certified Compliance Officers.</p> <p>As to its duties and functions, the Compliance Officer is guided by mandated duties and functions provided under relevant laws, rules, and regulations issued by regulators.</p>	
4. Compliance Officer attends training/s on corporate governance.	Compliant	<p>Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered</p> <p>Last November 22, all members of the Board and Senior Management, including the Compliance Officer, attended a 4-hour (2:00 to 6:00 P.M.) Corporate Governance Training (covering 1) Reinforcing the Corporate Lines of Defense; 2) Crisis Management Principles, Practices, Programs and Communication; and 3) Corporate Governance Fundamentals) conducted by the Good Governance Advocates and Practitioners of the Philippines, an SEC-accredited Training Provider (https://upson.com.ph/wp-content/uploads/2023/12/Certificates-of-Attendance-in-Corporate-</p>	

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

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	<p>Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)</p> <p>The Board has been performing its duties in accordance with the Corporation's Objectives, Mission, Vision, Values, and Manual on Corporate Governance. As reference, refer to relevant disclosures (https://upson.com.ph/disclosures/) and other "Governance" information/materials, which were reviewed/approved by members of the Board (https://upson.com.ph/governance/).</p>	
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Recommendation 2.2

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)	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant	<p>Indicate frequency of review of business objectives and strategy</p>	

		<p>Refer to "Governance" materials/information, which were reviewed/approved by members of the Board (https://upson.com.ph/governance/).</p> <p>Objectives and strategies are being revisited/discussed by the Board on a regular basis, at least every meeting of the Board.</p>	
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	<p>Indicate or provide link/reference to a document containing the company's vision, mission and core values.</p> <p>Indicate frequency of review of the vision, mission and core values.</p> <p>Refer to "Mission, Vision, and Values" (https://upson.com.ph/about-us/#mission-vision).</p> <p>The review of the Vision, Mission, and Values is being done on an annual basis.</p>	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compliant	<p>Provide information on or link/reference to a document containing information on the strategy execution process.</p> <p>The strategy execution process commences with the planning and assessment stages initiated by the Management in coordination with</p>	

		concerned stakeholder(s) prior to the presentation to/discussions with the directors. Upon the directors' guidance/advise, the Management will then incorporate/implement to the overall operations and governance of the Corporation.	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	<p>Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications</p> <p>Refer to the profile of the Chairman in "Item 5" of the Information Statements (https://upson.com.ph/disclosures/category/information-statements-sec-form-20-is/), "Article IV, Section 2" of the By-laws (https://upson.com.ph/wp-content/uploads/2022/05/UIC-Amended-By-Laws-2-March-2022.pdf), "VII" of the Charter of the Board of Directors (https://www.upson.com.ph/wp-content/uploads/2023/01/Charter-of-the-Board-of-Directors.pdf), and "The Chairman of the Board" in the Manual on Corporate Governance (https://upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf).</p>	
Recommendation 2.4			

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 Refer to "Succession Plan Policy" in the Manual on Corporate Governance (https://upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf).	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant		
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	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. Refer to "Remuneration of the Directors and Senior Executive" in the Manual on Corporate Governance (https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf).	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant		
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	Compliant	Provide proof of board approval As provided in the Remuneration Committee Charter	

		(https://www.upson.com.ph/wp-content/uploads/2023/01/RemCom-Charter.pdf), remuneration packages shall be recommended for Board's review and approval.	
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.		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.	
Recommendation 2.6			
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. Refer to the Nomination Committee Charter (https://www.upson.com.ph/wp-content/uploads/2023/01/NomCom-	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant		
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant		
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		

		Charter.pdf) and "Qualifications and Nomination of Directors" in the Manual on Corporate Governance (https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf).	
Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.		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	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	Identify transactions that were approved pursuant to the policy.	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant	Refer to Policy on "Material Related Party Transactions" (https://upson.com.ph/wp-content/uploads/2023/09/Material-Related-Party-Transactions-Policy.pdf), Audit Committee Charter (https://www.upson.com.ph/wp-content/uploads/2023/01/AudCom-Charter.pdf) that states that the Committee is tasked to perform the functions of a Related Party	

		<p>Transactions Committee, and "Related Party Transaction Policy" in the Manual on Corporate Governance (https://upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf).</p> <p>There were no related party transactions approval made after the effectivity of the aforementioned policies and Charter.</p>	
Supplement to Recommendations 2.7			
<p>1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.</p>	Compliant	<p>Provide information on a materiality threshold for RPT disclosure and approval, if any.</p> <p>Provide information on RPT categories</p> <p>A related party transaction shall be deemed material by the policy on "Material Related Party Transactions" (https://upson.com.ph/wp-content/uploads/2023/09/Material-Related-Party-Transactions-Policy.pdf) if it, individually, or in aggregate over a 12-month period with the same related party, reaches the threshold, which is set at 10% or higher of the Corporation's total assets based on its latest audited financial statement. Hence, if deemed material, a corresponding disclosure shall be made in</p>	

		<p>accordance with applicable laws, rules, and regulations. The Board shall have the overall responsibility in ensuring that transactions with related parties are handled in a sound and prudent manner, with integrity, and in compliance with applicable laws and regulations to protect the interest of the Corporation's stakeholders. Based on "Item 12" of the Annual Report/SEC Form 17-A</p> <p>(https://upson.com.ph/disclosures/category/annual-reports-sec-form-17-a/), the Corporation, in the ordinary course of business, engages in rental transactions with a related party, Upson Realty and Development Corporation.</p>	
<p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p>	Compliant	<p>Provide information on voting system, if any.</p> <p>In order to avoid conflict of interest, concerned individuals who are involved in certain transaction must advise the Corporation of their relationship or interest in the transaction and shall therefore abstain from the decision-making, including the power to approve such transactions. Refer to "Conflict of Interest Policy" and "Related Party Transaction Policy" in the Manual on Corporate Governance</p> <p>(https://upson.com.ph/wp-content/uploads/2022/02/Upson-</p>	

		Manual-on-Corporate-Governance.pdf).	
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	<p>Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management.</p> <p>Identity the Management team appointed</p> <p>Refer to "Duties and Responsibilities" in the Nomination Committee Charter (https://www.upson.com.ph/wp-content/uploads/2023/01/NomCom-Charter.pdf) and "Article IV, Section 1" of the By-laws (https://upson.com.ph/wp-content/uploads/2022/05/UIC-Amended-By-Laws-2-March-2022.pdf).</p> <p>Arlene Louisa T. Sy, Chief Executive Officer and President Rolando O. Raval, Jr., Chief Operations Officer Marcos A. Legaspi, Chief Finance Officer Anita Lim, Treasurer Dennis F. Uy, Corporate Secretary Darwin L. Mendoza, Compliance Officer</p>	
2. Board is primarily responsible for assessing the performance of Management led by	Compliant	Provide information on or reference to a document containing the	

<p>the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>Board's policy and responsibility for assessing the performance of management.</p> <p>Provide information on the assessment process and indicate frequency of assessment of performance.</p> <p>The Corporation shall require the Board and its committees to have a performance self-assessment at least once a year, both on the Board and individual level. The evaluation shall help in the improvement and further development of the Corporation's business operations. The assessment would lead to better efficiency and would encourage the Corporation to grow and progress with sustainable stability. The evaluation of the Board and its committees' performance shall focus on the self-assessment of the Board as a whole, self-assessment of the committees as a whole, and the individual self-assessment of the Board of Directors, the committees, and the Management. Every 3 years, the assessment may be supported by an external facilitator. Refer "Evaluation" in the Charter of the Board of Directors (https://www.upson.com.ph/wp-content/uploads/2023/01/Charter-of-the-Board-of-Directors.pdf).</p>	
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Recommendation 2.9

1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	Compliant	Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.	
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	See "Evaluation" in the Charter of the Board of Directors (https://www.upson.com.ph/wp-content/uploads/2023/01/Charter-of-the-Board-of-Directors.pdf) and "Performance Review" in the Code of Business Conduct and Ethics (https://upson.com.ph/wp-content/uploads/2022/02/UIC-Company-Rules-and-Regulation.pdf).	
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Compliant	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	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	Refer "Duties and Responsibilities" in the Charter of the Board of Directors (https://www.upson.com.ph/wp-content/uploads/2023/01/Charter-of-the-Board-of-Directors.pdf).	
3. Board approves the Internal Audit Charter.	Compliant	Provide reference or link to the company's Internal Audit Charter https://www.upson.com.ph/wp-content/uploads/2023/01/Charter-of-the-Board-of-Directors.pdf	

Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	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.	
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	Provide proof of effectiveness of risk management strategies, if any. Refer "Duties and Responsibilities" in the Charter of the Board of Directors (https://www.upson.com.ph/wp-content/uploads/2023/01/Charter-of-the-Board-of-Directors.pdf) and the Risk Management Committee Charter (https://www.upson.com.ph/wp-content/uploads/2023/01/RiskCom-Charter.pdf).	
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	Provide link to the company's website where the Board Charter is disclosed.	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant	https://www.upson.com.ph/wp-content/uploads/2023/01/Charter-of-the-Board-of-Directors.pdf	
3. Board Charter is publicly available and posted on the company's website.	Compliant		
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	Compliant	Provide information on or link/reference to a document	

		<p>showing company's insider trading policy.</p> <p>Refer to "Insider Trading Policy" in the Manual on Corporate Governance (https://upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf).</p>	
Optional: Principle 2			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.		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.	Compliant	<p>Indicate the types of decision requiring board of directors' approval and where there are disclosed.</p> <p>Refer to "Article III" of the By-laws (https://upson.com.ph/wp-content/uploads/2022/05/UIC-Amended-By-Laws-2-March-2022.pdf).</p>	
<p>Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.</p>			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	Provide information or link/reference to a document containing information on all the board	

		<p>committees established by the company.</p> <p>Refer to "Board Committees" (https://www.upson.com.ph/governance/board-committees/) and respective "Charters" (https://www.upson.com.ph/governance/board-committee-charter/).</p>	
Recommendation 3.2			
<p>1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.</p>	Compliant	<p>Provide information or link/reference to a document containing information on the Audit Committee, including its functions.</p> <p>Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.</p> <p>Refer to the composition of the "Audit" Committee (https://www.upson.com.ph/governance/board-committees/), "Audit Committee Charter" (https://www.upson.com.ph/wp-content/uploads/2023/01/AudCom-Charter.pdf), and profiles of the members of the Audit Committee in "Item 9" of the Annual Report/SEC Form 17-A (https://upson.com.ph/disclosures/category/annual-reports-sec-form-17-a/).</p>	

		It is the Audit Committee's responsibility to recommend the appointment and removal of the Corporation's external auditor.	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	<p>Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.</p> <p>Refer to the composition of the "Audit" Committee (https://www.upson.com.ph/governance/board-committees/), "Audit Committee Charter" (https://www.upson.com.ph/wp-content/uploads/2023/01/AudCom-Charter.pdf), and profiles of the members of the Audit Committee in "Item 9" of the Annual Report/SEC Form 17-A (https://upson.com.ph/disclosures/category/annual-reports-sec-form-17-a/).</p>	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	<p>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.</p> <p>Refer to the profiles of the members of the Audit Committee in "Item 9" of the Annual Report/SEC Form 17-A (https://upson.com.ph/disclosures/category/annual-reports-sec-form-17-a/).</p>	

		egory/annual-reports-sec-form-17-a/).	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	<p>Provide information or link/reference to a document containing information on the Chairman of the Audit Committee</p> <p>Refer to the composition, including the Chairman, of the "Audit" Committee (https://www.upson.com.ph/governance/board-committees/), "Audit Committee Charter" (https://www.upson.com.ph/wp-content/uploads/2023/01/AudCom-Charter.pdf), and profiles of the members of the Audit Committee in "Item 9" of the Annual Report/SEC Form 17-A (https://upson.com.ph/disclosures/category/annual-reports-sec-form-17-a/).</p>	
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	<p>Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.</p> <p>Last November 9, the Audit Committee approved the External Auditor's scope of work and deliverables (audit and non-audit).</p>	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	Provide proof that the Audit Committee conducted regular meetings and dialogues with the	

		<p>external audit team without anyone from management present.</p> <p>On a regular basis (at least twice a year), the Audit Committee meets with the External Auditor. However, there are members of the Committee from the Management, which were appointed by the Board to address corporate governance recommendations/guidelines on the committee membership of independent directors. Nonetheless, the Audit Committee acts independently as it is consist of majority non-executive and independent directors, including its Chairman.</p>	
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.		Indicate the number of Audit Committee meetings during the year and provide proof	
2. Audit Committee approves the appointment and removal of the internal auditor.	Compliant	<p>Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.</p> <p>Following the approval of the Audit Committee Charter, and the listing of the Corporation, the Audit Committee haven't approved any appointment or removal of internal auditor. Nevertheless, it is the Committee's duty and responsibility to approve/recommend the appointment of the Internal Audit</p>	

		Head or Chief Audit Executive. Refer to "III.a.iii" of the Audit Committee Charter (https://www.upson.com.ph/wp-content/uploads/2023/01/AudCom-Charter.pdf).	
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	<p>Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions</p> <p>Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.</p> <p>Refer to the composition of the "Corporate Governance" Committee (https://www.upson.com.ph/governance/board-committees/), "Corporate Governance Committee Charter" (https://www.upson.com.ph/wp-content/uploads/2023/01/CGCom-Charter.pdf), and profiles of the members of the Corporate Governance Committee in "Item 9" of the Annual Report/SEC Form 17-A (https://upson.com.ph/disclosures/category/annual-reports-sec-form-17-a/).</p>	

2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Non-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.	Due to the limitation on the number of independent directors, all 2 independent directors of the Corporation sit as member and Chairman of the Corporate Governance Committee. The Board also appointed a non-executive director as a member of the Committee to address the corporate governance recommendation/guideline on the composition of the Corporate Governance Committee, which nonetheless, still promotes independence and good corporate governance.
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	<p>Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.</p> <p>Refer to the composition of the "Corporate Governance" Committee (https://www.upson.com.ph/governance/board-committees/), "Composition and Members' Qualifications" of the Corporate Governance Committee Charter (https://www.upson.com.ph/wp-content/uploads/2023/01/CGCom-Charter.pdf), and profile of the Corporate Governance Committee Chairman in "Item 9" of the Annual Report/SEC Form 17-A (https://upson.com.ph/disclosures/category/annual-reports-sec-form-17-a/).</p>	

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.	
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	<p>Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions</p> <p>Refer to the composition of the "Risk Management" Committee (https://www.upson.com.ph/governance/board-committees/), "Risk Management Committee Charter" (https://www.upson.com.ph/wp-content/uploads/2023/01/RiskCom-Charter.pdf), and profiles of the members of the Risk Management Committee in "Item 9" of the Annual Report/SEC Form 17-A (https://upson.com.ph/disclosures/category/annual-reports-sec-form-17-a/).</p>	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	<p>Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship</p> <p>Refer to the composition of the "Risk Management" Committee (https://www.upson.com.ph/governance/board-committees/), "Risk Management Committee Charter" (</p>	

		https://www.upson.com.ph/wp-content/uploads/2023/01/RiskCom-Charter.pdf), and profiles of the members of the Risk Management Committee in "Item 9" of the Annual Report/SEC Form 17-A (https://upson.com.ph/disclosures/category/annual-reports-sec-form-17-a/).	
3. The Chairman of the BROCC is not the Chairman of the Board or of any other committee.	Non-compliant	Provide information or link/reference to a document containing information on the Chairman of the BROCC	Due to the limitation on the number of independent directors, the Chairman of the Risk Management Committee is also the Chairman of the Corporate Governance Committee, which nonetheless, still promotes independence, better risk management, and good corporate governance.
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. Refer to the composition of the "Risk Management" Committee (https://www.upson.com.ph/governance/board-committees/) and profiles of the members of the Risk Management Committee in "Item 9" of the Annual Report/SEC Form 17-A (https://upson.com.ph/disclosures/category/annual-reports-sec-form-17-a/).	
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is	Compliant	Provide information or link/reference to a document containing	

<p>tasked with reviewing all material related party transactions of the company.</p>		<p>information on the Related Party Transactions (RPT) Committee, including its functions.</p> <p>The Audit Committee is tasked to perform the functions of a related party transactions committee, as provided in the "Audit Committee Charter" (https://www.upson.com.ph/wp-content/uploads/2023/01/AudCom-Charter.pdf). Refer to the composition of the "Audit" Committee (https://www.upson.com.ph/governance/board-committees/) and profiles of the members of the Audit Committee in "Item 9" of the Annual Report/SEC Form 17-A (https://upson.com.ph/disclosures/category/annual-reports-sec-form-17-a/).</p>	
<p>2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.</p> <p>Refer to the composition of the "Audit" Committee (https://www.upson.com.ph/governance/board-committees/), "Composition and Members' Qualifications" in the Audit Committee Charter</p>	

		(https://www.upson.com.ph/wp-content/uploads/2023/01/AudCom-Charter.pdf), and profiles of the members of the Audit Committee in "Item 9" of the Annual Report/SEC Form 17-A (https://upson.com.ph/disclosures/category/annual-reports-sec-form-17-a/).	
Recommendation 3.6			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	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.	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant	Refer to the Board Committee "Charters" (https://www.upson.com.ph/governance/board-committee-chapter/).	
3. Committee Charters were fully disclosed on the company's website.	Compliant	Provide link to company's website where the Committee Charters are disclosed. https://www.upson.com.ph/governance/board-committee-chapter/	
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	Compliant	Provide information or link/reference to a document containing information on the process and	

<p>through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.</p>	<p>procedure for tele/videoconferencing board and/or committee meetings.</p> <p>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>Attendance via remote communication is allowed as provided in the Revised Corporation Code, "Article III, Section 7" of the By-laws (https://upson.com.ph/wp-content/uploads/2022/05/UIC-Amended-By-Laws-2-March-2022.pdf), and in the Board and Committee Charters (https://www.upson.com.ph/governance/board-committee-charter/).</p> <p>As best practice, the office of the Corporate Secretary regularly arranges an alternative mode (via remote communication) for Board or committee or stockholders' meeting should any of the directors cannot attend physically.</p> <p>For the directors' attendance, refer to "Summary of Meeting Attendance for 2023" (https://www.upson.com.ph/governance/board-committees/) and</p>	
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		"Directors and Officers Present" at the 2023 Annual Stockholders' Meeting (https://www.upson.com.ph/wp-content/uploads/2023/07/Minutes-of-2023-Annual-Stockholders-Meeting.pdf).	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	The directors review meeting materials for all Board and committee meetings. Refer to "Specific Duties of a Director" in the Manual on Corporate Governance (https://upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf).	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors The directors, on a regularly basis, has been constantly inquiring on how the Corporation can continuously improve its processes and performance.	
Recommendation 4.2			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	Compliant	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	

		<p>directors in both listed and non-listed companies</p> <p>Refer to the profiles of the directors in "Item 9" of the Annual Report/SEC Form 17-A (https://upson.com.ph/disclosures/category/annual-reports-sec-form-17-a/).</p>	
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	Compliant	<p>Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.</p> <p>There were no additional directorships in 2023. Nevertheless, the office of the Corporate Secretary has been constantly coordinating with the directors with regard to the updates on their directorships.</p>	
Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	Compliant	<p>Refer to the profiles of the directors in "Item 9" of the Annual Report/SEC Form 17-A (https://upson.com.ph/disclosures/category/annual-reports-sec-form-17-a/).</p>	
2. Company schedules board of directors' meetings before the start of the financial year.	Compliant	Last November 9, the Board approved the schedule of its 2024 meetings.	
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	

		The Board held 6 meetings in 2023. Refer to "Summary of Meeting Attendance for 2023" (https://www.upson.com.ph/governance/board-committees/).	
4. Company requires as minimum quorum of at least 2/3 for board decisions.		Indicate the required minimum quorum for board decisions	
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs			
Recommendation 5.1			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Non-compliant	Provide information or link/reference to a document containing information on the number of independent directors in the board	The Corporation is looking into this. In any case, the Corporation is compliant with the required number of independent directors as provided under the law
Recommendation 5.2			
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. Refer to the profiles of the independent directors in "Item 9" of the Annual Report/SEC Form 17-A (https://upson.com.ph/disclosures/category/annual-reports-sec-form-17-a/).	
Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	Provide link/reference to a document containing information that directors are not constrained to vote independently. Refer to "Board Independence from the Management" in the Manual on Corporate Governance	

		(https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf).	
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	<p>Provide information or link/reference to a document showing the years IDs have served as such.</p> <p>All independent directors were first elected in 2022. Refer to the profiles of the independent directors in "Item 9" of the Annual Report/SEC Form 17-A (https://upson.com.ph/disclosures/category/annual-reports-sec-form-17-a/).</p>	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	<p>Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director</p> <p>Refer to "Term of Office" in the Manual on Corporate Governance (https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf).</p>	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Compliant	Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.	

		Though the Corporation haven't retained an independent director after a 9-year term limit, meritorious justification(s) shall be provided and seek shareholders' approval in the instance that the Corporation wants to retain an independent director after a 9-year term limit.	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	<p>Identify the company's Chairman of the Board and Chief Executive Officer</p> <p>The Corporation's Chairman is Mr. Lawrence O. Lee, while the Chief Executive Officer is Ms. Arlene Louisa T. Sy.</p>	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	<p>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.</p> <p>Identify the relationship of Chairman and CEO.</p> <p>Refer to "Chairperson" and "Chief Executive Officer and/or President" in the Charter of the Board of Directors (https://www.upson.com.ph/wp-content/uploads/2023/01/Charter-of-the-Board-of-Directors.pdf).</p> <p>Our Chairman and Chief Executive Officer are not family-related.</p>	
Recommendation 5.5			

1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Non-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 Corporation is looking into this. In any case, the Corporation is compliance with the qualifications of a chairman.
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	Provide proof of abstention, if this was the case There were no directors with material interest in a transaction affecting the Corporation abstain from taking part in the deliberations on the transaction. In the event of such, the Corporation shall observe its "Related Party Transaction Policy" and "Conflict of Interest Policy" in the Manual on Corporate Governance (https://upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf).	
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.	Non-compliant	Provide proof and details of said meeting, if any. Provide information on the frequency and attendees of meetings.	The Corporation is looking into this. Nevertheless, Board Committees have been meeting with the external auditor and heads of audit, compliance, and risk without the rest of the Senior Management.
2. The meetings are chaired by the lead independent director.	Non-compliant		
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.	Compliant	Provide name/s of company CEO for the past 2 years	

		The Corporation's current Chief Executive Officer has been in the position since creating such position.	
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. Board conducts an annual self-assessment of its performance as a whole.	Compliant	Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees On May 9, 2024, the members of the Board conducted their self-assessments for the whole Board, Board Committees, Chairman, Chief Executive Officer, and officers of the Corporation.	
2. The Chairman conducts a self-assessment of his performance.	Compliant		
3. The individual members conduct a self-assessment of their performance.	Compliant		
4. Each committee conducts a self-assessment of its performance.	Compliant		
5. Every three years, the assessments are supported by an external facilitator.	Compliant	Identify the external facilitator and provide proof of use of an external facilitator. Though the Corporation is only at its second year as a listed company, performance assessment/evaluation may be supported by an external facilitator every 3 years. Refer to "Evaluation" in the Charter of the Board of Directors (https://www.upson.com.ph/wp-content/uploads/2023/01/Charter-of-the-Board-of-Directors.pdf).	
Recommendation 6.2			

1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	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	
2. The system allows for a feedback mechanism from the shareholders.	Compliant	<p>On May 9, 2024, the Corporate Governance Committee and the Board has approved the Director's Evaluation Form, requiring the Board to have a performance self-assessment at least once a year, both on the Board and individual level, including the performance of the Chairman, committees, Chief Executive Officer and President, and other officers. On the same day, the directors conducted their first evaluation covering the previous year. It was also approved that every three years, the assessment/evaluation shall be supported by an external facilitator. As to the feedback mechanism from shareholders, concerned shareholders may reach-out through info@upson.com.ph, iro@upson.com.ph, or +63285267152. In addition, concerned shareholders may also feedback through stockholders' meetings and investors briefings.</p>	

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. https://upson.com.ph/wp-content/uploads/2022/02/UIC-Company-Rules-and-Regulation.pdf	
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 of Ethics and Conduct is posted on the Corporation's website, thus, the same is being shared with new employees upon onboarding.	
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. https://upson.com.ph/wp-content/uploads/2022/02/UIC-Company-Rules-and-Regulation.pdf	

Supplement to Recommendation 7.1

1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Compliant	Provide information on or link/reference to a document containing information on the company's policy and procedure on curbing and penalizing bribery	
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		<p>Refer to policies under "Stakeholders" and "Penalties for Non-compliance with the Manual" in the Manual on Corporate Governance (https://upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf) and "Code of Ethics and Conduct" (https://upson.com.ph/wp-content/uploads/2022/02/UIC-Company-Rules-and-Regulation.pdf).</p>	
Recommendation 7.2			
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	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	<p>Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.</p> <p>The Corporation made its "Company Policies" (https://upson.com.ph/governance/policies/) public. Upon onboarding, concerned/covered stakeholders, such as directors, officers, employees, and others, are being briefed on said policies.</p> <p>During the covered period, no non-compliance with said policies was noted.</p>	

Disclosure and Transparency

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

Recommendation 8.1

<p>1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders</p> <p>Refer to "Transparency and Disclosure Policy" in the Manual on Corporate Governance (https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf) and "Disclosures" (https://www.upson.com.ph/disclosures/).</p>	
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Supplement to Recommendations 8.1

<p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.</p>	<p>Compliant</p>	<p>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.</p> <p>1. The First Quarter of 2023 Financial Report was released within 45 days from the end of reporting period. Refer to "Quarterly Report for the period ended March 31, 2023" (https://upson.com.ph/wp-content/uploads/2023/05/Quarterl</p>	
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		<p>y-Report-for-the-period-ended-March-31-2023.pdf)</p> <p>2. The First Half of 2023 Financial Report was released within 45 days from the end of reporting period. Refer to "Quarterly Report for the period ended June 30, 2023" (https://upson.com.ph/wp-content/uploads/2023/08/Quarterly-Report-for-the-period-ended-June-30-2023.pdf)</p> <p>3. The 9 Months of 2023 Financial Report was released within 45 days from the end of reporting period. Refer to "Quarterly Report for the period ended September 30, 2023" (https://upson.com.ph/wp-content/uploads/2023/11/Quarterly-Report-for-the-period-ended-September-30-2023.pdf)</p> <p>4. The "Audited Financial Statements for the period ended December 31, 2023" (https://upson.com.ph/wp-content/uploads/2024/03/Audited-Financial-Statements-for-the-period-ended-December-31-2023.pdf) was released within 90 days from the end of the reporting period.</p>	
2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the	Compliant	<p>Provide link or reference to the company's annual report where the following are disclosed:</p> <ol style="list-style-type: none"> 1. principal risks to minority shareholders associated with 	

controlling shareholders' voting power and overall equity position in the company.		<p>the identity of the company's controlling shareholders;</p> <p>2. cross-holdings among company affiliates; and</p> <p>3. any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p> <p>Refer to "Item 4" of the Information Statement (https://upson.com.ph/disclosures/category/information-statements-sec-form-20-is/) and "Item 11" of the Annual Report/SEC Form 17-A (https://upson.com.ph/disclosures/category/annual-reports-sec-form-17-a/).</p>	
Recommendation 8.2			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share.	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	<p>Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.</p> <p>Refer to "Transparency and Disclosure Policy" in the Manual on Corporate Governance </p>	

		content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf) and Disclosures on "SEC Forms 23-A and 23-B" (https://www.upson.com.ph/disclosures/category/statement-of-changes-in-beneficial-ownership-of-securities-sec-forms-23-a-and-23-b/).	
Supplement to Recommendation 8.2			
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	<p>Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders.</p> <p>Provide link or reference to the company's Conglomerate Map.</p> <p>Refer disclosures on "Public Ownership Report" (https://upson.com.ph/wp-content/uploads/2024/01/Public-Ownership-Report-as-of-December-31-2023.pdf) and "List of Top 100 Stockholders" (https://upson.com.ph/wp-content/uploads/2024/01/List-of-Top-100-Stockholders-as-of-December-31-2023.pdf).</p> <p>The Corporation has no subsidiary. Refer to "Corporate Structure" (https://upson.com.ph/wp-content/uploads/2023/08/UPSON-Corporate-Structure.pdf).</p>	
Recommendation 8.3			

<p>1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	<p>Compliant</p>	<p>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.</p> <p>Refer to the profiles of the directors in "Item 9" of the Annual Report/SEC Form 17-A (https://upson.com.ph/disclosures/category/annual-reports-sec-form-17-a/) and disclosures on "SEC Forms 23-A and 23-B" (https://www.upson.com.ph/disclosures/category/statement-of-changes-in-beneficial-ownership-of-securities-sec-forms-23-a-and-23-b/) and Attendance in Corporate Governance Training (https://upson.com.ph/wp-content/uploads/2023/12/Certificates-of-Attendance-in-Corporate-Governance-Training-dated-November-22-2023.pdf).</p>	
<p>2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	<p>Compliant</p>	<p>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.</p> <p>Refer to the profiles of the directors and/or officers in "Item 9" of the</p>	

		<p>Annual Report/SEC Form 17-A (https://upson.com.ph/disclosures/category/annual-reports-sec-form-17-a/) and disclosures on "SEC Forms 23-A and 23-B" (https://www.upson.com.ph/disclosures/category/statement-of-changes-in-beneficial-ownership-of-securities-sec-forms-23-a-and-23-b/) and Attendance in Corporate Governance Training (https://upson.com.ph/wp-content/uploads/2023/12/Certificates-of-Attendance-in-Corporate-Governance-Training-dated-November-22-2023.pdf).</p>	
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Compliant	<p>Disclose or provide link/reference to the company policy and practice for setting board remuneration</p> <p>Refer to "Remuneration of the Directors and Senior Executives" in the Manual on Corporate Governance (https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf).</p>	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	<p>Disclose or provide link/reference to the company policy and practice for determining executive remuneration</p> <p>Refer to "Remuneration of the Directors and Senior Executives" in the Manual on Corporate</p>	

		Governance (https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf).																										
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	<p>Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.</p> <table><tr><th>Director</th><th>Total Per Diem/ Remuneration for Meetings attended in 2023 (PhP)</th></tr><tr><td>Lawrence O. Lee</td><td>300,000.00</td></tr><tr><td>Ricardo A. Lee</td><td>150,000.00</td></tr><tr><td>William Lim</td><td>150,000.00</td></tr><tr><td>Arlene Louisa T. Sy</td><td>300,000.00</td></tr><tr><td>Rolando O. Raval, Jr.</td><td>250,000.00</td></tr><tr><td>Marcos A. Legaspi</td><td>375,000.00</td></tr><tr><td>Anthony Thomas C. Roxas, Jr.</td><td>375,000.00</td></tr><tr><td>Jose Vicente C. Bengzon III</td><td>350,000.00</td></tr><tr><td>Chun Bing G. Uy</td><td>350,000.00</td></tr><tr><td>Raul M. Leopando</td><td>400,000.00</td></tr></table> <table><tr><th></th><th>Year</th><th>Salary, bonuses, and other annual compensation (PhP)</th></tr></table>	Director	Total Per Diem/ Remuneration for Meetings attended in 2023 (PhP)	Lawrence O. Lee	300,000.00	Ricardo A. Lee	150,000.00	William Lim	150,000.00	Arlene Louisa T. Sy	300,000.00	Rolando O. Raval, Jr.	250,000.00	Marcos A. Legaspi	375,000.00	Anthony Thomas C. Roxas, Jr.	375,000.00	Jose Vicente C. Bengzon III	350,000.00	Chun Bing G. Uy	350,000.00	Raul M. Leopando	400,000.00		Year	Salary, bonuses, and other annual compensation (PhP)	
Director	Total Per Diem/ Remuneration for Meetings attended in 2023 (PhP)																											
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Raul M. Leopando	400,000.00																											
	Year	Salary, bonuses, and other annual compensation (PhP)																										

		<table><tr><td>Chairman, CEO and President, COO, CFO, and Treasurer</td><td>2023</td><td>10,279,023.00</td></tr><tr><td>Aggregate compensation paid to all other directors and officers as a group</td><td>2023</td><td>24,993,868.00</td></tr></table>	Chairman, CEO and President, COO, CFO, and Treasurer	2023	10,279,023.00	Aggregate compensation paid to all other directors and officers as a group	2023	24,993,868.00	
Chairman, CEO and President, COO, CFO, and Treasurer	2023	10,279,023.00							
Aggregate compensation paid to all other directors and officers as a group	2023	24,993,868.00							
Recommendation 8.5									
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	<p>Disclose or provide reference/link to company's RPT policies</p> <p>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</p> <p>A director with conflict of interest is prohibited from participating in the decision making with regard to a transaction with a party to which he/she has interest. Refer to "Related Party Transactions Policy" in the Manual on Corporate Governance (https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf) and "Material Related Party Transactions Policy" (</p>							

		Related-Party-Transactions-Policy.pdf).	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	<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"> 1. name of the related counterparty; 2. relationship with the party; 3. transaction date; 4. type/nature of transaction; 5. amount or contract price; 6. terms of the transaction; 7. rationale for entering into the transaction; 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 9. other terms and conditions <p>Refer to "Certain Relationships and Related Transactions" in SEC Form 17-A/Annual Report https://upson.com.ph/wp-content/uploads/2024/04/Annual-Report-for-the-year-ended-December-31-2023-dated-April-15-2024.pdf).</p>	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	Indicate where and when directors disclose their interests in transactions or any other conflict of interests.	

		Upon the Board's approval on the Corporation's Material Related Party Transactions Policy, directors and officers were required to execute and submit their related party disclosure forms.	
Optional : Recommendation 8.5			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	Compliant	<p>Provide link or reference where this is disclosed, if any</p> <p>Refer to "Certain Relationships and Related Transactions" in SEC Form 17-A/Annual Report (https://upson.com.ph/wp-content/uploads/2024/04/Annual-Report-for-the-year-ended-December-31-2023-dated-April-15-2024.pdf), "Material Related Party Transactions Policy" (https://upson.com.ph/wp-content/uploads/2023/09/Material-Related-Party-Transactions-Policy.pdf), and "Related Party Transactions Policy" in the Manual on Corporate Governance (https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf).</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	Compliant	<p>Provide link or reference where this is disclosed</p> <p>Refer to "Transparency and Disclosure Policy" in the Manual on</p>	

affect the viability or the interest of its shareholders and other stakeholders.		Corporate Governance (https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf) and "Disclosures" (https://www.upson.com.ph/disclosures/), mainly on "Current Reports" (https://www.upson.com.ph/disclosures/category/current-reports-sec-form-17-c/).	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant	<p>Identify independent party appointed to evaluate the fairness of the transaction price</p> <p>Disclose the rules and procedures for evaluating the fairness of the transaction price, if any.</p> <p>The Corporation engages its external auditor to evaluate the fairness of asset acquisition or disposition transactions.</p>	
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	<p>Provide link or reference where these are disclosed.</p> <p>The Corporation has no voting trust agreements or arrangements which may result to a change in control. Refer to "Voting Trust Holders of 5% or More" and "Changes in Control" in SEC Form 17-A/Annual Report (https://upson.com.ph/wp-content/uploads/2024/04/Annual-Report-for-the-year-ended-</p>	

		December-31-2023-dated-April-15-2024.pdf).	
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. https://www.upson.com.ph/governance/manual-on-corporate-governance/	
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. During its listing application, the Corporation was required to submit its MCG as part of the requirements for the said application. On May 3, 2022, the Corporation complied with the submission of its MCG. On September 27, 2022, the Corporation submitted its updated Manual on Corporate Governance.	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:		Provide link or reference to the company's Annual Report containing the said information.	
a. Corporate Objectives			
b. Financial performance indicators	Compliant	Refer to SEC Form 17-A/Annual Report (https://upson.com.ph/wp-content/uploads/2024/04/Annual-Report-for-the-year-ended-	
c. Non-financial performance indicators	Compliant		

d. Dividend Policy	Compliant	December-31-2023-dated-April-15-2024.pdf), "Market for Issuer's Common Equity and Related Stockholder Matters" in the Information Statement (https://upson.com.ph/wp-content/uploads/2024/04/Preliminary-Information-Statement-for-the-2024-Annual-Stockholders-Meeting-dated-April-12-2024.pdf), and "Summary of Meeting Attendance for 2023" (https://upson.com.ph/governance/boaccommittees/).	
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant		
f. Attendance details of each director in all directors meetings held during the year	Compliant		
g. Total remuneration of each member of the board of directors	Compliant		
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.		Provide link or reference to where this is contained in the Annual Report	
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	Compliant	Provide link or reference to where this is contained in the Annual Report Refer to "Statement of Management's Responsibility" in SEC Form 17-A/Annual Report (https://upson.com.ph/wp-content/uploads/2024/04/Annual-Report-for-the-year-ended-December-31-2023-dated-April-15-2024.pdf).	
4. The Annual Report/Annual CG Report contains a statement from the board of	Compliant	Provide link or reference to where this is contained in the Annual Report	

directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.		Refer to "Statement of Management's Responsibility" in SEC Form 17-A/Annual Report (https://upson.com.ph/wp-content/uploads/2024/04/Annual-Report-for-the-year-ended-December-31-2023-dated-April-15-2024.pdf).	
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 these are contained in the Annual Report Refer to disclosure risks in SEC Form 17-A/Annual Report (https://upson.com.ph/wp-content/uploads/2024/04/Annual-Report-for-the-year-ended-December-31-2023-dated-April-15-2024.pdf).	

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

Recommendation 9.1

1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	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. Refer to "Duties and Responsibilities" of the Audit Committee Charter (https://www.upson.com.ph/wp-	
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		content/uploads/2023/01/AudCom-Charter.pdf).	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	Compliant	<p>Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.</p> <p>Shareholders representing 100% of the Corporation's issued and outstanding common shares resolved to appoint the External Auditor for the fiscal year ending December 31, 2023, as pre-screened and endorsed by the Audit Committee and the Board, respectively.</p>	
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant	<p>Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.</p> <p>The Corporation haven't changed its external auditor within the last three (3) years. Nonetheless, the Corporation shall disclose the reason for such change, once applicable.</p>	
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	<p>Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years.</p> <p>The Corporation shall comply with relevant laws, rules, and regulation</p>	

		recommending/requiring the rotation of lead audit partner every 5 years.	
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: <ul style="list-style-type: none"> i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. 	Compliant	Provide link/reference to the company's Audit Committee Charter https://www.upson.com.ph/wp-content/uploads/2023/01/AudCom-Charter.pdf	
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 https://www.upson.com.ph/wp-content/uploads/2023/01/AudCom-Charter.pdf	
Supplement to Recommendations 9.2			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Compliant	Provide link/reference to the company's Audit Committee Charter https://www.upson.com.ph/wp-content/uploads/2023/01/AudCom-Charter.pdf	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	Provide link/reference to the company's Audit Committee Charter	

		https://www.upson.com.ph/wp-content/uploads/2023/01/AudCom-Charter.pdf	
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	<p>Disclose the nature of non-audit services performed by the external auditor, if any.</p> <p>Refer to "External Audit Fees" in SEC Form 17-A/Annual Report (https://upson.com.ph/wp-content/uploads/2024/04/Annual-Report-for-the-year-ended-December-31-2023-dated-April-15-2024.pdf) and "Item 7" of the Information Statement (https://upson.com.ph/wp-content/uploads/2024/04/Preliminary-Information-Statement-for-the-2024-Annual-Stockholders-Meeting-dated-April-12-2024.pdf).</p>	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	Compliant	<p>Provide link or reference to guidelines or policies on non-audit services</p> <p>Refer to "Duties and Responsibilities" in the Audit Committee Charter (https://www.upson.com.ph/wp-content/uploads/2023/01/AudCom-Charter.pdf).</p>	
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	<p>Provide information on audit and non-audit fees paid.</p> <p>Refer to "Item 7" of the Information Statement (https://upson.com.ph/wp-content/uploads/2023/01/AudCom-Charter.pdf).</p>	

[content/uploads/2024/04/Preliminary-Information-Statement-for-the-2024-Annual-Stockholders-Meeting-dated-April-12-2024.pdf](#)).

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;
2. Accreditation number;
3. Date Accredited;
4. Expiry date of accreditation; and
5. Name, address, contact number of the audit firm.

1. Name of the audit engagement partner – Darryll Reese Q. Salangad
2. Firm's SEC Registration No. PP201007009*
3. SEC Registration Date is May 6, 2010
4. Expiry date of accreditation – Not applicable
5. Name, address, contact number of the audit firm – Reyes Tancandong & Co., BDO Towers Valero 8741 Paseo de Roxas Makati City, 1226 Philippines, +632.8982.9100

*Based on the Supreme Court decision dated January 27, 2023, the Supreme Court has declared the

		circulars issued by the SEC, requiring accreditation of Certified Public Accountants acting as external auditors of corporations issuing registered securities and possessing secondary licenses, as null and void.	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	Compliant	<p>Provide information on the following:</p> <ol style="list-style-type: none"> 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. <ol style="list-style-type: none"> 1. Date it was subjected to SOAR inspection, if subjected – Reyes Tacandong & Co. has been subjected to SOAR inspection program conducted by the SEC's OGA last July 2023. 2. Name of the Audit firm – Reyes Tacandong & Co. 3. Members of the engagement team inspected by the SEC – Members of the engagement teams subjected to the inspection program were provided to the SEC during the inspection. 	

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	Compliant	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.	
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governance (EESG) issues of its business, which underpin sustainability.		The Corporation complies with the applicable laws, rules and regulations with regard to the disclosure of non-financial information. Further, refer to "Transparency and Disclosure Policy" in the Manual on Corporate Governance (https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf).	
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. Refer to "Annual Sustainability Report 2023" in SEC Form 17-A/Annual Report (https://upson.com.ph/wp-content/uploads/2024/04/Annual-Report-for-the-year-ended-December-31-2023-dated-April-15-2024.pdf).	
Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.			
Recommendation 11.1			
1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	Compliant	Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any.	

		Refer to the Corporation's Website (https://www.upson.com.ph/), mainly on "Disclosures" (https://www.upson.com.ph/disclosures/) and "Newsroom" (https://upson.com.ph/newsroom/).	
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:		Provide link to company website https://www.upson.com.ph/	
a. Financial statements/reports (latest quarterly)	Compliant		
b. Materials provided in briefings to analysts and media	Compliant		
c. Downloadable annual report	Compliant		
d. Notice of ASM and/or SSM	Compliant		
e. Minutes of ASM and/or SSM	Compliant		
f. Company's Articles of Incorporation and By-Laws	Compliant		
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	Compliant	The Corporation was able to comply with the SEC-prescribed website template as part of the requirements for listing.	
Internal Control System and Risk Management Framework			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			

<p>1. Company has an adequate and effective internal control system in the conduct of its business.</p>	<p>Compliant</p>	<p>List quality service programs for the internal audit functions.</p> <p>Indicate frequency of review of the internal control system</p> <p>As stated in the Internal Audit Charter (https://www.upson.com.ph/wp-content/uploads/2023/01/UIC-Internal-Audit-Charter.pdf), the IA Department of the Corporation provides independent, objective assurance, and consulting services.</p> <p>Internal controls of high-risk processes of key business units are reviewed annually based on the Internal Audit Plan submitted and reported to the Audit Committee.</p>	
<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>Compliant</p>	<p>Identify international framework used for Enterprise Risk Management</p> <p>Provide information or reference to a document containing information on:</p> <ol style="list-style-type: none"> 1. Company's risk management procedures and processes 2. Key risks the company is currently facing 3. How the company manages the key risks <p>Indicate frequency of review of the enterprise risk management framework.</p>	

		<p>Refer to "Risk Factors" in Prospectus (https://www.upson.com.ph/wp-content/uploads/2023/03/UPSON-IPO-Final-Prospectus-with-revisions-as-of-20230324-clean-with-annexes.pdf).</p> <p>The Corporation's Risk Management is being discussed/revisited on a regular basis, at least once every quarter.</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	<p>Provide information on or link/reference to a document containing the company's compliance program covering compliance with laws and relevant regulations.</p> <p>Indicate frequency of review.</p> <p>The Corporation implemented a quarterly internal compliance reporting, which aims to establish a comprehensive compliance monitoring tool that will assist officers-in-charge with their regulatory compliances.</p>	
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.		Provide information on IT governance process	
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 Corporation's internal audit is in-house.	
Recommendation 12.3			
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. The Corporation's Internal Audit Officer-in-Charge is currently performing the responsibilities of a CAE/Internal Audit Head. Refer to "Responsibilities" in the Internal Audit Charter (https://www.upson.com.ph/wp-content/uploads/2023/01/UIC-Internal-Audit-Charter.pdf).	
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	Compliant		
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Compliant	Identify qualified independent executive or senior management personnel, if applicable. The Corporation's internal audit functions are being handled internally. However, in the event of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel shall be assigned as officer in charge for managing the fully outsourced internal audit activity.	
Recommendation 12.4			

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. The Corporation's risk management function is currently being overseen by the CEO.	
Supplement to Recommendation 12.4			
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 Corporation may seek external technical support in risk management, if deemed necessary.	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant	Due to the Corporation's size, the CEO, with guidance/assistance from the Board, Risk Management Committee, and Management, is the champion of ERM of the Corporation. Refer to "The Board and Senior Management" in SEC Form 17-A/Annual Report (https://upson.com.ph/wp-content/uploads/2024/04/Annual-Report-for-the-year-ended-December-31-2023-dated-April-15-2024.pdf).	
Additional Recommendation to Principle 12			

1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Compliant	Provide link to CEO and CAE's attestation https://upson.com.ph/wp-content/uploads/2024/05/Chief-Executive-Officer-and-Internal-Audit-Officer-in-Charge-Attestation-dated-May-6-2024.pdf	
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed. Refer to "Policies and Guidelines of Shareholders and Stakeholders" in the MCG (https://upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf).	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Provide link to company's website Refer to "Policies and Guidelines of Shareholders and Stakeholders" in the MCG (https://upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf).	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	Compliant	The Corporation has common shares only. One share is equivalent to one vote.	

2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	<p>Provide information on all classes of shares, including their voting rights if any.</p> <p>The Corporation has common shares only. One share is equivalent to one vote.</p>	
3. Board has an effective, secure, and efficient voting system.	Compliant	<p>Provide link to voting procedure. Indicate if voting is by poll or show of hands.</p> <p>Refer to "Article II, Section 7. Manner of Voting" of the By-laws (https://upson.com.ph/wp-content/uploads/2022/05/UIC-Amended-By-Laws-2-March-2022.pdf) and "Item 19" of the Information Statement (https://upson.com.ph/wp-content/uploads/2024/04/Preliminary-Information-Statement-for-the-2024-Annual-Stockholders-Meeting-dated-April-12-2024.pdf).</p>	
4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	Compliant	<p>Provide information on shareholder voting mechanisms such as supermajority or "majority of minority", if any.</p> <p>The Corporation shall adhere to shareholders voting mechanisms, as may be necessary to comply with applicable laws, rules, and regulations.</p>	
5. Board allows shareholders to call a special shareholders' meeting and submit a	Compliant	Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution)	

proposal for consideration or agenda item at the AGM or special meeting.		Refer to "Special Meeting" in the By-laws (https://www.upson.com.ph/wp-content/uploads/2022/05/UIC-Amended-By-Laws-2-March-2022.pdf).	
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 Refer to "Policies and Guidelines of Shareholders and Stakeholders" in the MCG (https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf)	
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 Refer to "Dividends and Dividend Policy" in the Prospectus (https://www.upson.com.ph/wp-content/uploads/2023/03/UPSON-	

		IPO-Final-Prospectus-with-revisions-as-of-20230324-clean-with-annexes.pdf). In 2023, the Corporation declared cash dividends, which were paid on or before 41 calendar days after the declaration.	
Optional: Recommendation 13.1			
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. The Corporation's External Auditor, Reyes Tacandong & Co. validated the votes at the ASM.	
Recommendation 13.2			
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 and Agenda were released as early as 60 days before the 2023 Annual Stockholders' Meeting.	

		<p>There were no shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</p> <p>https://www.upson.com.ph/disclosures/category/notice-of-shareholder-meetings/</p>	
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:		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	<p>Refer to "Item 5" of the Information Statements</p> <p>(https://www.upson.com.ph/disclosures/category/information-statements-sec-form-20-is/).</p>	
b. Auditors seeking appointment/re-appointment	Compliant	<p>Refer to "Item 7" of the Information Statements</p> <p>(https://www.upson.com.ph/disclosures/category/information-statements-sec-form-20-is/).</p>	
c. Proxy documents	Compliant	<p>Refer to "Proxy Form" in the Information Statements</p> <p>(https://www.upson.com.ph/disclosures/category/information-statements-sec-form-20-is/).</p>	
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	Compliant	<p>Provide link or reference to the rationale for the agenda items</p> <p>Refer to "Details of ASM Agenda Items" in the Information Statements</p> <p>(https://www.upson.com.ph/disclosures/)</p>	

		es/category/information-statements-sec-form-20-is/).	
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	<p>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.</p> <p>Refer to "Minutes of Meetings" (https://www.upson.com.ph/disclosures/category/minutes-of-meetings/).</p>	
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	Compliant	<p>Provide link to minutes of meeting in the company website.</p> <p>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.</p> <p>Indicate also if the voting on resolutions was by poll.</p> <p>Include whether there was opportunity to ask question and the answers given, if any</p> <p>Refer to "Minutes of Meetings" (https://www.upson.com.ph/disclosures/category/minutes-of-meetings/).</p>	
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	

		The Corporation's External Auditor and other relevant officers/ individuals were present during the ASM.	
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.	Compliant	<p>Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes</p> <p>Under the Corporation's MCG, The Corporation shall not take any action that violates or deprives its shareholders with their rights. It shall treat all shareholders fairly and equitably, and shall protect and facilitate the exercise of their rights.</p>	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	<p>Provide link/reference to where it is found in the Manual on Corporate Governance</p> <p>Refer to "Policies and Guidelines on Shareholders and Stakeholders" in the MCG (https://upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf).</p>	
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	<p>Disclose the contact details of the officer/office responsible for investor relations, such as:</p> <ol style="list-style-type: none"> 1. Name of the person 2. Telephone number 3. Fax number 4. E-mail address 	

		Rachelle C. Paunlagui, +63285267152, iro@upson.com.ph	
2. IRO is present at every shareholder's meeting.	Compliant	Indicate if the IRO was present during the ASM. The Corporation's IRO was present during the ASM.	
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant	Provide information on how anti-takeover measures or similar devices were avoided by the board, if any. As of December 31, 2023, the Corporation has a public float of 21.74%, which would prevent possible takeover.	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Non-compliant	Indicate the company's public float.	As of December 31, 2023, the Corporation has a public float of 21.74%, which is compliant with the required minimum public float. Nevertheless, in the event that the Corporation reach a 35% public float, necessary disclosures shall be made.
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	Compliant	Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM The Corporation has established various means of communication, through its website, e-mail, phone numbers, and other modes of communication, to encourage shareholder participation beyond shareholder meetings.	

2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	Compliant	<p>Disclose the process and procedure for secure electronic voting in absentia, if any.</p> <p>Refer to "Item 19", "Proxy Form", and "Validation Process" in the Information Statements (https://upson.com.ph/disclosures/category/information-statements-sec-form-20-is/).</p>	
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Duties to Stakeholders

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

Recommendation 14.1

1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	<p>Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.</p> <p>Refer to "List of Top 100 Stockholders" (https://upson.com.ph/disclosures/category/other-disclosures/) and "Policies and Guidelines on Shareholders and Stakeholders" in the MCG (https://upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf).</p>	
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Recommendation 14.2

1. Board establishes clear policies and programs to provide a mechanism on the	Compliant	Identify policies and programs for the protection and fair treatment of company's stakeholders	
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fair treatment and protection of stakeholders.		Under the Corporation's MCG, The Corporation shall not take any action that violates or deprives its shareholders with their rights. It shall treat all shareholders fairly and equitably, and shall protect and facilitate the exercise of their rights. Refer to "Policies and Guidelines on Shareholders and Stakeholders" in the MCG (https://upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf).	
Recommendation 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	Compliant	<p>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.</p> <p>Provide information on whistleblowing policy, practices and procedures for stakeholders</p> <p>Office of the Corporate Secretary or Compliance Officer, +63285267152, info@upson.com.ph or corsec@upson.com.ph</p> <p>Refer to "Policies and Guidelines on Shareholders and Stakeholders" in the MCG</p>	

		(https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf).	
Supplement to Recommendation 14.3			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	Compliant	<p>Provide information on the alternative dispute resolution system established by the company.</p> <p>Refer to "Policies and Guidelines on Shareholders and Stakeholders", mainly on the "Complaints Handling Procedure" in the MCG (https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf).</p>	
Additional Recommendations to Principle 14			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	Compliant	<p>Disclose any requests for exemption by the company and the reason for the request.</p> <p>The Corporation does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue.</p>	
2. Company respects intellectual property rights.	Compliant	<p>Provide specific instances, if any.</p> <p>With respect to the intellectual property rights, the Corporation has been in coordination with the Intellectual Property Office and the Securities and Exchange Commission (and Department of Trade and</p>	

		Industry, if applicable) to ensure that the Corporation observes intellectual property rights.	
Optional: Principle 14			
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>The Corporation has established various means of communication, through its website, e-mail, phone numbers, and other modes of communication, to address customers' welfare. Refer to "Contact Us" (https://upson.com.ph/contact-us/) and (https://www.octagon.com.ph/pages/contact-us).</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>Refer to "Policies and Guidelines on Shareholders and Stakeholders" in the MCG (https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf).</p>	
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			

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	<p>Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.</p> <p>Refer to "Policies and Guidelines on Shareholders and Stakeholders", mainly on the "Complaints Handling Procedure" in the MCG (https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf).</p>	
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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	<p>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.</p> <p>Refer to "Incentives" in the Employee Handbook (https://www.upson.com.ph/wp-content/uploads/2022/02/UIC-Company-Rules-and-Regulation.pdf).</p>	
2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	<p>Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any.</p> <p>Refer to "Health and Safety policies" in the Employee Handbook</p>	

		https://www.upson.com.ph/wp-content/uploads/2022/02/UIC-Company-Rules-and-Regulation.pdf) and "Occupational Health and Safety" and "Health and Safety" in the Sustainability Report attached to the SEC Form 17-A/Annual Report (https://upson.com.ph/wp-content/uploads/2024/04/Annual-Report-for-the-year-ended-December-31-2023-dated-April-15-2024.pdf).	
3. Company has policies and practices on training and development of its employees.	Compliant	<p>Disclose and provide information on policies and practices on training and development of employees. Include information on any training conducted or attended.</p> <p>Employees undergo orientations and trainings upon onboarding. Employees also attend product-related trainings on a regular basis. Refer to "Training on Anti-corruption Policies and Procedures" and "Employee Training and Development" in the Sustainability Report attached to the SEC Form 17-A/Annual Report (https://upson.com.ph/wp-content/uploads/2024/04/Annual-Report-for-the-year-ended-December-31-2023-dated-April-15-2024.pdf) and https://upson.com.ph/wp-content/uploads/2023/12/Certificates-of-Attendance-in-Corporate-</p>	

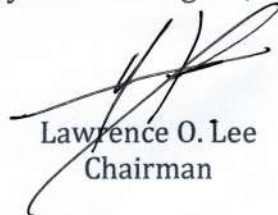
		Governance-Training-dated-November-22-2023.pdf.	
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Compliant	<p>Identify or provide link/reference to the company's policies, programs and practices on anti-corruption</p> <p>Refer to "Anti-bribery and Corruption Policy" in the MCG https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf.</p>	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	<p>Identify how the board disseminated the policy and program to employees across the organization</p> <p>Policies are disseminated through the website and bulletin board of the Corporation. E-mails are also being sent as reminder/reiteration.</p>	
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	Compliant	<p>Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices.</p> <p>Include any finding of violations of the company policy.</p> <p>Refer to "Sanctions" in the Employee Handbook https://www.upson.com.ph/wp-content/uploads/2022/02/UIC-Company-Rules-and-Regulation.pdf.</p>	

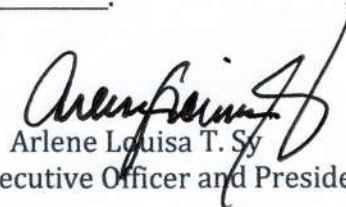
		There were no noted findings of violations of the Corporation's policies.	
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Compliant	Disclose 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.	
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	Provide contact details to report any illegal or unethical behavior. Refer to "Whistleblower Policy", "Complaints Handling Procedure", and "Protection and Confidentiality Measures" in the MCG (https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf). Office of the Corporate Secretary or Compliance Officer, +63285267152, info@upson.com.ph and corsec@upson.com.ph	
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 Board supervises and ensures the enforcement of the Corporation's	

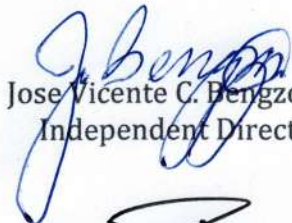
		whistleblower framework through the implementation of a policy covering whistleblowers under the MCG. A regular review shall be done to constantly improve the said policy.	
Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
Recommendation 16.1			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	Compliant	<p>Provide information or reference to a document containing information on the company's community involvement and environment-related programs.</p> <p>Refer to "Corporate Social Responsibility and Sustainability" in the MCG https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf) and "Sustainable Report" attached in SEC Form 17-A/Annual Report https://upson.com.ph/wp-content/uploads/2024/04/Annual-Report-for-the-year-ended-December-31-2023-dated-April-15-2024.pdf).</p>	
Optional: Principle 16			
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	


		<p>consistent with promoting sustainable development.</p> <p>Refer to "Corporate Social Responsibility and Sustainability" in the MCG https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf) and "Sustainable Report" attached in SEC Form 17-A/Annual Report https://upson.com.ph/wp-content/uploads/2024/04/Annual-Report-for-the-year-ended-December-31-2023-dated-April-15-2024.pdf).</p>	
2. Company exerts effort to interact positively with the communities in which it operates	Compliant	<p>Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.</p> <p>Refer to "Corporate Social Responsibility and Sustainability" in the MCG https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf) and "Sustainable Report" attached in SEC Form 17-A/Annual Report https://upson.com.ph/wp-content/uploads/2024/04/Annual-Report-for-the-year-ended-December-31-2023-dated-April-15-2024.pdf).</p>	

Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in _____.



Lawrence O. Lee
Chairman


Arlene Louisa T. Sy
Chief Executive Officer and President


Jose Vicente C. Bengzon III
Independent Director


Chun Bing G. Uy
Independent Director


Dennis F. Uy
Corporate Secretary


Darwin L. Mendoza
Compliance Officer

Subscribed and sworn to before me this 17 MAY 2024, affiants exhibiting to me their competent evidence of identity, as follows:

Lawrence O. Lee
Arlene Louisa T. Sy
Jose Vicente C. Bengzon III
Chun Bing G. Uy
Dennis F. Uy
Darwin L. Mendoza

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ATTY. JOHN EDWARD TRINIDAD ANG
Notary Public for City of Manila- Until 12-31-2024
Notarial Commission No. 2024-091
2nd Floor Midland Plaza Hotel, Adriatico St., Ermita, Mla.
IBP NO. 393541-01/03/2024 Pasig City
P.T.R. NO. 1535522 Jan 3, 2024 Manila
ROLL NO. 68731 MCLE COMPLIANCE NO. VII-0011675