

SECURITIES AND EXCHANGE COMMISSION

SEC FORM - I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended
Dec 31, 2022
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
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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

The disclosure of the Integrated Annual Corporate Governance Report of Upson International Corp. for the year ended December 31, 2022 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

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S.E.C. Registration Number

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(Company's Full Name)

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(Principal Address: No. Street City / Town / Province)

Dennis F. Uy

Contact Person

8526-7152

Company Telephone Number

1 2

Month

3 1

Day

Fiscal Year

I-ACGR

FORM TYPE

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Month

2 5

Day

Annual Meeting

Not applicable

Secondary License Type, If Applicable

C G F D

Dept. Requiring this Doc.

Not applicable

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

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SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **December 31, 2022**
2. SEC Identification Number **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.

Compliant			
	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	
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	2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance See composition of the Board of Directors, and profiles of members (page 13 of SEC Form 17-A for the year ended December 31, 2022: https://www.upson.com.ph/wp-content/uploads/2023/04/Annual-Report-for-the-Year-Ended-December-31-2022.pdf ; and Qualifications and Nomination of Directors (pages 6 and 9 of Manual on Corporate Governance):	

		https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf	
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Compliant	<p>Identify or provide link/reference to a document identifying the directors and the type of their directorships</p> <p>See composition of the Board of Directors, and profiles of members (page 13 of SEC Form 17-A for the year ended December 31, 2022): https://www.upson.com.ph/wp-content/uploads/2023/04/Annual-Report-for-the-Year-Ended-December-31-2022.pdf</p>	
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>See Development and Training of Directors (page 10 of the Manual on Corporate Governance): https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf; and</p> <p>Training/Orientation (page 8 of the Board Charter):</p>	

		https://www.upson.com.ph/wp-content/uploads/2023/01/Charter-of-the-Board-of-Directors.pdf	
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	See Development and Training of Directors (page 10 of the Manual on Corporate Governance): https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf	
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	Provide information on or link/reference to a document containing information on the company's board diversity policy. Indicate gender composition of the board. See Board Diversity (page 10 of the Manual on Corporate Governance): https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf The Board is composed of one (1) female member, which is the Chief	

		Executive Officer, and nine (9) male members.	
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.		Provide information on or link/reference to a document containing the company's policy and measurable objectives for implementing board diversity. Provide link or reference to a progress report in achieving its objectives.	
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions. See profile of the Corporate Secretary (page 14 of SEC Form 17-A for the year ended December 31, 2022): https://www.upson.com.ph/wp-content/uploads/2023/04/Annual-Report-for-the-Year-Ended-December-31-2022.pdf	
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		
4. Corporate Secretary attends training/s on corporate governance.	Non-Compliant	Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered	The Corporation is not yet a publicly-listed company during the covered period of this report. Nonetheless, the Corporation intends to comply with the corporate governance recommendations from the Securities and Exchange Commission

			(SEC) and the Philippine Stock Exchange (PSE).
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	Compliant	<p>Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting</p> <p>The Corporate Secretary has been distributing board meeting materials at least five (5) days before 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 of Upson International Corp. (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 an Authorized Representative of the Company's subsidiaries, including two (2) PLCs. Mr. Mendoza also served as the Corporate Governance and</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>Compliance Manager for a water utility PLC.</p> <p>Mr. Mendoza earned his bachelor of science degree in commerce major in internal auditing from Far Eastern University. He is also a member of the Good Governance Advocates and Practitioners of the Philippines (GGAPP) and the Association of Certified Compliance Officers.</p> <p>See Compliance Officer (page 144 of 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</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>On November 25, 2022, Mr. Mendoza attended the 9th SEC-PSE Corporate Governance Forum. In addition, he also attended GGAPP's knowledge sharing on CG Trends held on March 25, 2022.</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	Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting) See Board Committee Charters, which were reviewed and approved by the Board: https://www.upson.com.ph/governance/board-committee-charter/	
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>See Board Committee Charters, which were reviewed and approved by the Board: https://www.upson.com.ph/governance/board-committee-charter/</p> <p>The Corporation's business objectives and strategy are being discussed 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	Indicate or provide link/reference to a document containing the company's vision, mission and core values.	

		<p>Indicate frequency of review of the vision, mission and core values.</p> <p>https://www.upson.com.ph/about-us/#mission-vision</p> <p>The Corporation intends to review its vision, mission, and core values annually.</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>See Responsibilities, Duties, and Functions of the Board (page 7 of the Manual on Corporate Governance):</p> <p>https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf</p>	
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>See information of Chairperson, Mr. Lawrence O. Lee (page 13 of SEC Form 17-A for the period ended December 31, 2022):</p> <p>https://www.upson.com.ph/wp-content/uploads/2023/04/Annual-Report-for-the-Year-Ended-December-31-2022.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	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant	See Succession Plan Policy (page 12 of the Manual on Corporate Governance): https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf	
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.	
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	See Remuneration of the Directors and Senior Executive (page 11 of the Manual on Corporate Governance): https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf	
Optional: Recommendation 2.5			
Board approves the remuneration of senior executives.		Provide proof of board approval	
1. Company has measurable standards to align the performance-based		Provide information on or link/reference to a document	

remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.		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.	
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	Provide proof if minority shareholders have a right to nominate candidates to the board	
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant	Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	
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	See Charter of the Nomination Committee: https://www.upson.com.ph/wp-content/uploads/2023/01/NomCom-Charter.pdf ; and	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant	Qualifications and Nomination of Directors (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 ;	
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.	

<p>3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.</p>	<p>Compliant</p>	<p>See Related Party Transaction Policy (page 18 of the Manual on Corporate Governance): https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf; and</p> <p>Charter of the Audit Committee, which will perform the functions related to related party transactions: https://www.upson.com.ph/wp-content/uploads/2023/01/AudCom-Charter.pdf</p> <p>There are no related party transactions made after the approval of the Manual on Corporate Governance and the Charter of the Audit Committee.</p>	
<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 de minimis 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.	Compliant	<p>Provide information on a materiality threshold for RPT disclosure and approval, if any.</p> <p>Provide information on RPT categories</p> <p>Materiality threshold for RPT disclosure is ten percent (10%) of the Corporation's total asset (in compliance with SEC MC 10-2019). RPTs are required to be approved by the Board.</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.	Compliant	<p>Provide information on voting system, if any.</p> <p>None. Nevertheless, the Corporation intends to conduct its RPTs on an arm's length basis.</p>	
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>Identify the Management team appointed</p> <p>See Duties and Functions of Board of Directors (page 7 of the Manual on Corporate Governance): https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf </p>	

		<p>Management Team:</p> <p>Arlene Louisa T. Sy, Chief Executive Officer and President</p> <p>Rolando O. Raval, Jr., Chief Operations Officer</p> <p>Marcos A. Legaspi, Chief Finance Officer</p> <p>Anita Lim, Treasurer</p> <p>Dennis F. Uy, Corporate Secretary</p>	
<p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	Compliant	<p>Provide information on or reference to a document containing the 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>See Duties and Functions of Board of Directors (page 7 of the Manual on Corporate Governance): https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf</p> <p>The assessment process shall be done on an annual basis.</p>	
Recommendation 2.9			
<p>1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.</p>	Compliant	<p>Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.</p>	

2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant	See Board Independence from the Management (page 9 of the Manual on Corporate Governance): https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.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	See Duties and Functions of the Board of Directors (page 7 of the Manual on Corporate Governance): https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf	
3. Board approves the Internal Audit Charter.	Non-compliant	Provide reference or link to the company's Internal Audit Charter	The Corporation is not yet a publicly-listed company during the covered period of this report. Nonetheless, the Corporation intends to comply with the corporate governance recommendations from the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE).
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify,	Compliant	Provide information on or link/reference to a document showing the Board's oversight	

monitor, assess and manage key business risks.		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	<p>Provide proof of effectiveness of risk management strategies, if any.</p> <p>See Risk Management Committee Charter: https://www.upson.com.ph/wp-content/uploads/2023/01/RiskCom-Charter.pdf </p>	
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	See Corporation's Board Charter): 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	<p>Provide information on or link/reference to a document showing company's insider trading policy.</p> <p>See Insider Trading Policy (page 17 of the Manual on Corporate Governance): https://www.upson.com.ph/wp-content/uploads/2022/02/Upson- </p>	

		Manual-on-Corporate-Governance.pdf	
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.		Indicate the types of decision requiring board of directors' approval and where there are disclosed.	
Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	Provide information or link/reference to a document containing information on all the board committees established by the company. See Board Committees: https://www.upson.com.ph/governance/board-committees/ ; and Board Committee Charters: https://www.upson.com.ph/governance/board-committee-charter/	
Recommendation 3.2			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal	Compliant	Provide information or link/reference to a document containing	

<p>control system, internal and external audit processes, and compliance with applicable laws and regulations.</p>		<p>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>See composition of the Audit Committee: https://www.upson.com.ph/governance/board-committees/; and</p> <p>Charter of the Audit Committee: https://www.upson.com.ph/wp-content/uploads/2023/01/AudCom-Charter.pdf</p> <p>It is the Audit Committee's responsibility to recommend the appointment and removal of the Corporation's external auditor.</p>	
<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	<p>Compliant</p>	<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>See composition of the Audit Committee: https://www.upson.com.ph/governance/board-committees/; and</p> <p>Profiles of the Directors:</p>	

		https://www.upson.com.ph/about-us/#our-leaders	
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>See composition of the Audit Committee: https://www.upson.com.ph/governance/board-committees/; and</p> <p>Profiles of the Directors: https://www.upson.com.ph/about-us/#our-leaders</p>	
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>See composition of the Audit Committee: https://www.upson.com.ph/governance/board-committees/; and</p> <p>Profiles of the Directors: https://www.upson.com.ph/about-us/#our-leaders</p>	
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Non-compliant	Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.	The Corporation is not yet a publicly-listed company during the covered period of this report. Nonetheless, the Corporation intends to comply with the corporate governance recommendations from the

			Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE).
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Non-compliant	Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.	The Corporation is not yet a publicly-listed company during the covered period of this report. Nonetheless, the Corporation intends to comply with the corporate governance recommendations from the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE).
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>On May 25, 2022, upon the recommendation of the Audit Committee and the Board of Directors, the stockholders approved the appointment of the Corporation's external auditor for the year ending December 31, 2022.</p>	
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</p>	

		<p>of directors aligned with the company's strategic direction, if applicable.</p> <p>See composition of the Corporate Governance Committee: https://www.upson.com.ph/governance/board-committees/;</p> <p>Charter of the Corporate Governance Committee: https://www.upson.com.ph/wp-content/uploads/2023/01/CGCom-Charter.pdf; and</p> <p>Profiles of Directors: https://www.upson.com.ph/about-us/#our-leaders</p>	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Compliant	<p>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.</p> <p>See composition of the Corporate Governance Committee: https://www.upson.com.ph/governance/board-committees/; and</p> <p>Profiles of Directors: https://www.upson.com.ph/about-us/#our-leaders</p>	
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	Provide information or link/reference to a document containing	

		<p>information on the Chairman of the Corporate Governance Committee.</p> <p>See composition of the Corporate Governance Committee: https://www.upson.com.ph/governance/board-committees/; and</p> <p>Profiles of Directors: https://www.upson.com.ph/about-us/#our-leaders</p>	
Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.	Compliant	<p>Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.</p> <p>The Corporate Governance Committee held two (2) meetings (May 3 and August 10) in 2022 to approve the Manual on Corporate Governance and its amendment, respectively.</p>	
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>See Charter of the Risk Management Committee: https://www.upson.com.ph/wp-content/uploads/2023/01/RiskCom-Charter.pdf;</p>	

		<p>Composition of the Risk Management Committee: https://www.upson.com.ph/governance/board-committees/; and</p> <p>Profiles of Directors: https://www.upson.com.ph/about-us/#our-leaders</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>See composition of the Risk Management Committee: https://www.upson.com.ph/governance/board-committees/; and</p> <p>Profiles of Directors: https://www.upson.com.ph/about-us/#our-leaders</p>	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Non-compliant	<p>Provide information or link/reference to a document containing information on the Chairman of the BROC</p>	The Corporation is not yet a publicly-listed company during the covered period of this report. Nonetheless, the Corporation intends to comply with the corporate governance recommendations from the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE).
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant	<p>Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.</p>	

		<p>See composition of the Risk Management Committee: https://www.upson.com.ph/governance/board-committees/; and</p> <p>Profiles of Directors: https://www.upson.com.ph/about-us/#our-leaders</p>	
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	<p>Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.</p> <p>In the absence of a Related Party Transactions Committee, the Audit Committee shall perform the functions of RPT Committee as prescribed by the SEC. See Duties and Responsibilities of the Audit Committee (page 1 of the Audit Committee Charter): https://www.upson.com.ph/wp-content/uploads/2023/01/AudCom-Charter.pdf</p>	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant	<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>See composition of the Audit Committee, which shall perform the functions of a RPT Committee:</p>	

		https://www.upson.com.ph/governance/board-committees/ ; and Profiles of Directors: https://www.upson.com.ph/about-us/#our-leaders	
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Recommendation 3.6

1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	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	See Board Committee Charters: https://www.upson.com.ph/governance/board-committee-charter/	
3. Committee Charters were fully disclosed on the company's website.	Compliant	Provide link to company's website where the Committee Charters are disclosed. See Board Committee Charters: https://www.upson.com.ph/governance/board-committee-charter/	

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

Recommendation 4.1

1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings.	
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		<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>See Conduct of Meetings (page 10 of the Amended By-laws): https://www.upson.com.ph/wp-content/uploads/2022/05/UIC-Amended-By-Laws-2-March-2022.pdf; and</p> <p>Board Meetings and Quorum Requirement (page 8 of the Manual on Corporate Governance): https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf</p> <p>All directors met the required number of attendance/participation in Board meetings.</p>	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant		
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	<p>Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors</p> <p>Questions/clarifications/explanations sought by directors are being</p>	

		addressed by the Management accordingly.	
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	<p>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</p> <p>Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies</p> <p>See Profiles of Directors: https://www.upson.com.ph/about-us/#our-leaders </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>During the covered period, none of the directors accepted a directorship in another company.</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		
2. Company schedules board of directors' meetings before the start of the financial year.			

3. Board of directors meet at least six times during the year.	Compliant	<p>Indicate the number of board meetings during the year and provide proof</p> <p>During the covered period, the Board held at least thirteen (13) meetings (February 2, 2022, February 9, 2022, March 9, 2022, April 13, 2022, May 3, 2022, May 6, 2022, May 25, 2022, May 31, 2022, June 14, 2022, August 8, 2022, August 10, 2022, November 15, 2022, and November 24, 2022).</p>	
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 not yet a publicly-listed company during the covered period of this report. Nonetheless, the Corporation intends to comply with the corporate governance recommendations from the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE).
Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	<p>Provide information or link/reference to a document containing information on the qualifications of the independent directors.</p> <p>See Profiles of the Members of the Board</p>	

		https://upson.com.ph/about-us/#our-leaders	
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	<p>Provide link/reference to a document containing information that directors are not constrained to vote independently.</p> <p>See Board Independence from the Management (page 9 of the Manual on Corporate Governance): https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf</p>	
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 IDs were only elected in 2022.</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>See Term of Office (page 5 of 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	Compliant	Provide reference to the meritorious justification and proof of	

capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.		shareholders' approval during the annual shareholders' meeting. Not applicable. Nonetheless, the Corporation shall provide meritorious justification, for shareholders' approval, if applicable.	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	Identify the company's Chairman of the Board and Chief Executive Officer The Corporation's Chairman is Mr. Lawrence O. Lee, while Ms. Arlene Louisa T. Sy is the Chief Executive Officer.	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer. Identify the relationship of Chairman and CEO. The roles and responsibilities of the Chairman and the Chief Executive Officer can be found in the Charter of the Board of Directors: https://www.upson.com.ph/about-us/#our-leaders The Chairman and the CEO are not family-related.	
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 not yet a publicly-listed company during the covered period of this report. Nonetheless, the Corporation intends to comply with the corporate governance recommendations from the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE).
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 Not yet applicable. Once applicable, the Corporation shall implement its policy on related party transactions and conflict of interest.	
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 not yet a publicly-listed company during the covered period of this report. Nonetheless, the Corporation intends to comply with the corporate governance recommendations from the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE).
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 Ms. Arlene Louisa T. Sy is the first CEO appointed by the Board.	
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.	Non-complaint	Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees	The Corporation is not yet a publicly-listed company during the covered period of this report. Nonetheless, the Corporation intends to comply with the corporate governance recommendations from the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE).
2. The Chairman conducts a self-assessment of his performance.	Non-complaint		
3. The individual members conduct a self-assessment of their performance.	Non-complaint		
4. Each committee conducts a self-assessment of its performance.	Non-complaint		
5. Every three years, the assessments are supported by an external facilitator.	Non-complaint	Identify the external facilitator and provide proof of use of an external facilitator.	
Recommendation 6.2			
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	
1. The system allows for a feedback mechanism from the shareholders.	Compliant	See Directors' Performance Evaluation (page 11 of the Manual on Corporate Governance): https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf	
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	Compliant	Provide information on or link/reference to the company's Code of Business Conduct and Ethics.	

unacceptable conduct and practices in internal and external dealings of the company.		See Company Rules and Regulations: https://www.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 Company Rules and Regulations is posted on the Corporation's website, thus, a copy of the same are being distributed upon onboarding of employees.	
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://www.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 See Anti-bribery and Corruption Policy (page 17 of the Manual on Corporate Governance): https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf	

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>As guide, the Corporation made its policies public, through its website. Upon onboarding, concerned stakeholders are also being briefed on said policies. Stakeholders, especially directors, officers, and employees, are required to comply with such policies. No non-compliance with said policies has been noted during the covered period of this report.</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			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Compliant	Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders	

		<p>See Transparency and Disclosure Policy (page 18 of the Manual on Corporate Governance): https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf; and</p> <p>Disclosures: https://www.upson.com.ph/disclosures/</p>	
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>	Compliant	<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>The Audited Financial Statements for the year ended December 31, 2022 was released on April 14, 2023, which is compliant with the requirement of SEC Form 17-A. The Corporation also intends to release its subsequent reports within the prescribed deadline of the SEC and the PSE.</p>	
<p>2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p>	Non-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 the identity of the company's controlling shareholders; 2. cross-holdings among company affiliates; and 	<p>The Corporation is not yet a publicly-listed company during the covered period of this report. Nonetheless, the Corporation intends to comply with the corporate governance recommendations from the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE).</p>

		3. any imbalances between the controlling shareholders' voting power and overall equity position in the company.	
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>See Transparency and Disclosure Policy (page 18 of the Manual on Corporate Governance): https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf; and</p> <p>Disclosures on 23-A/Bs: https://www.upson.com.ph/disclosures/category/statement-of-changes-in-beneficial-ownership-of-securities-sec-forms-23-a-and-23-b/</p>	
Supplement to Recommendation 8.2			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions)	Compliant	Provide information on or link/reference to the shareholdings of	

and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).		<p>directors, management and top 100 shareholders.</p> <p>Provide link or reference to the company's Conglomerate Map.</p> <p>See disclosures on 23-A/Bs: https://www.upson.com.ph/disclosures/category/statement-of-changes-in-beneficial-ownership-of-securities-sec-forms-23-a-and-23-b/; and</p> <p>General Information Sheet: https://www.upson.com.ph/disclosures/category/general-information-sheet/</p>	
Recommendation 8.3			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	<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>See profiles of directors: https://www.upson.com.ph/about-us/#our-leaders; and</p> <p>Disclosures on 23-A/Bs: https://www.upson.com.ph/disclosures/category/statement-of-changes-in-beneficial-ownership-of-securities-sec-forms-23-a-and-23-b/</p>	
2. Board fully discloses all relevant and material information on key executives to	Compliant	Provide link or reference to the key officers' academic qualifications,	

evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.		<p>share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</p> <p>See profiles of officers: https://www.upson.com.ph/about-us/#our-leaders; and</p> <p>Disclosures on 23-A/Bs: https://www.upson.com.ph/disclosures/category/statement-of-changes-in-beneficial-ownership-of-securities-sec-forms-23-a-and-23-b/</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>See Remuneration of the Directors and Senior Executives (page 11 of 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>See Remuneration of the Directors and Senior Executives (page 11 of the Manual on Corporate Governance):</p>	

		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> <p>See Executive Compensation Summary of Compensation Table (page 16 of SEC Form 17-A for the year 2022): https://www.upson.com.ph/wp-content/uploads/2023/04/Annual-Report-for-the-Year-Ended-December-31-2022.pdf</p> <p>All directors received PhP50,000.00 each as their remuneration for the year 2022.</p>	
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	<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>See Related Party Transactions Policy (page 18 of the Manual on Corporate Governance): https://www.upson.com.ph/wp-content/uploads/2022/02/Upson- </p>	

		Manual-on-Corporate-Governance.pdf No director is involved in a related party transaction.	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs: <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 See Certain Relationships and Related Transactions (page 19 of SEC Form 17-A for the year 2022): https://www.upson.com.ph/wp-content/uploads/2023/04/Annual-Report-for-the-Year-Ended-December-31-2022.pdf	
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. Directors are expected to disclose their interests in transactions or any other conflict of interests once applicable.	
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	Provide link or reference where this is disclosed, if any See Certain Relationships and Related Transactions (page 19 of SEC Form 17-A for the year 2022): https://www.upson.com.ph/wp-content/uploads/2023/04/Annual-Report-for-the-Year-Ended-December-31-2022.pdf	
Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Compliant	Provide link or reference where this is disclosed See Transparency and Disclosure Policy: (page 18 of the Manual on Corporate Governance): https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant	Identify independent party appointed to evaluate the fairness of the transaction price	

		<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. The Corporation has also no arrangements which may result to a change in control. (page 18 of SEC Form 17-A for the year 2022): https://www.upson.com.ph/wp-content/uploads/2023/04/Annual-Report-for-the-Year-Ended-December-31-2022.pdf </p>	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	<p>Provide link to the company's website where the Manual on Corporate Governance is posted.</p> <p>See Manual on Corporate Governance: https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf </p>	
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. On September 27, 2022, the Corporation submitted its updated Manual on Corporate Governance to the SEC.	
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		See SEC Form 17-A for the year 2022: https://www.upson.com.ph/wp-content/uploads/2023/04/Annual-Report-for-the-Year-Ended-December-31-2022.pdf	
b. Financial performance indicators	Compliant		
c. Non-financial performance indicators	Compliant		
d. Dividend Policy			
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			
g. Total remuneration of each member of the board of directors			
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.		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.		Provide link or reference to where this is contained in the Annual Report	

4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.		Provide link or reference to where this is contained in the Annual Report	
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).		Provide link or reference to where these are contained in the Annual Report	
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. See Duties and Responsibilities of the Audit Committee (page 1 of the Audit Committee Charter): https://www.upson.com.ph/wp-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	Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor. 100%	

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. Once applicable, the Corporation shall disclose the reason for such removal.</p>	
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	Non-compliant	Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years.	The Corporation is not yet a publicly-listed company during the covered period of this report. Nonetheless, the Corporation intends to comply with the corporate governance recommendations from the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE).
Recommendation 9.2			
<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <p>i. assessing the integrity and independence of external auditors;</p> <p>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</p> <p>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</p>	Compliant	<p>Provide link/reference to the company's Audit Committee Charter</p> <p>See Audit Committee Charter: https://www.upson.com.ph/wp-content/uploads/2023/01/AudCom-Charter.pdf</p>	

2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant	Provide link/reference to the company's Audit Committee Charter See 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 See 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 See 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	Disclose the nature of non-audit services performed by the external auditor, if any. See External Audit Fees (page 13 of SEC Form 17-A for the year 2022): https://www.upson.com.ph/wp-content/uploads/2023/04/Annual-Report-for-the-Year-Ended-December-31-2022.pdf	
2. Audit Committee stays alert for any potential conflict of interest situations,	Compliant	Provide link or reference to guidelines or policies on non-audit services	

given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.		See Duties and Responsibilities of the Audit Committee (page 1 of the Charter of the Audit Committee): https://www.upson.com.ph/wp-content/uploads/2023/01/AudCom-Charter.pdf	
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	Provide information on audit and non-audit fees paid. See External Audit Fees (page 13 of SEC Form 17-A for the year 2022): https://www.upson.com.ph/wp-content/uploads/2023/04/Annual-Report-for-the-Year-Ended-December-31-2022.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. Darryll Reese Q. Salangad SEC Accreditation No. 107615-SEC Group A issued on February 21, 2023, valid for financial period 2022 BOA Accreditation No. 4782 valid until April 13, 2024	

		Reyes Tacandong & Co., BDO Towers Valero 8741 Paseo de Roxas, Makati City 1226 Philippines, +632 8982 9700	
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).		Provide information on the following: 1. Date it was subjected to SOAR inspection, if subjected; 2. Name of the Audit firm; and 3. Members of the engagement team inspected by the SEC.	
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Compliant	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues. See Transparency and Disclosure Policy (page 18 of 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. See Sustainability Report using SEC's prescribed template (as attachment to SEC Form 17-A for the year 2022): https://www.upson.com.ph/wp-content/uploads/2023/04/Annual-Report-for-the-Year-Ended-December-31-2022.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	<p>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.</p> <p>See Corporate Website: https://www.upson.com.ph/; and</p> <p>Disclosures: https://www.upson.com.ph/disclosures/</p>	
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Supplemental to Principle 11

1. Company has a website disclosing up-to-date information on the following:	Compliant	Provide link to company website Disclosures:	
a. Financial statements/reports (latest quarterly)	Compliant	https://www.upson.com.ph/disclosures/ ;	
b. Materials provided in briefings to analysts and media	Compliant	Newsroom:	
c. Downloadable annual report	Compliant	https://www.upson.com.ph/newsroom/ ;	
d. Notice of ASM and/or SSM	Non-compliant	Articles of Incorporation: https://www.upson.com.ph/aoi/ ; and	The Corporation is not yet a publicly-listed company during the covered period of this report. Nonetheless, the Corporation intends to comply with the corporate governance recommendations from the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE).
e. Minutes of ASM and/or SSM	Non-compliant	By-laws: https://www.upson.com.ph/by-laws/	
f. Company's Articles of Incorporation and By-Laws	Compliant		

Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	Compliant	See Corporate Website: https://www.upson.com.ph/about-us/	
Internal Control System and Risk Management Framework			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	List quality service programs for the internal audit functions. Indicate frequency of review of the internal control system Review of internal control system shall be done at least annually.	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	Identify international framework used for Enterprise Risk Management Provide information or reference to a document containing information on: 1. Company's risk management procedures and processes 2. Key risks the company is currently facing 3. How the company manages the key risks Indicate frequency of review of the enterprise risk management framework.	

		<p>See Risk Factors (page 29 of 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>Review of enterprise risk management framework shall be done at least annually.</p>	
Supplement to Recommendations 12.1			
<p>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.</p>	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>Compliance checking on applicable regulatory compliance requirements is being done on a monthly basis.</p> <p>Review on compliance program shall be done at least annually.</p>	
Optional: Recommendation 12.1			
<p>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.</p>	Compliant	<p>Provide information on IT governance process</p> <p>Given that the Corporation is involved in retailing of IT equipment, the Corporation makes it a point that IT risks are being identified and mitigated.</p>	
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 has its internal audit team.	
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.	
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	The head of the Corporation's internal audit team is Mr. Mark Que. He is responsible for all audit-related matters of the Corporation.	
3. In case of a fully outsourced internal audit activity, qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Non-compliant	Identify qualified independent executive or senior management personnel, if applicable.	This item is not applicable to the Corporation as it has its internal audit team.
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 function of the Corporation's risk management is to prevent, identify, and mitigate all risks to the Corporation.	
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 engage its external auditor, if necessary, for technical risk support.	
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. In the absence of the CRO, the CEO, with the guidance and assistance from the Risk Management Committee, shall be the champion of ERM. See profiles of the CEO and members of the Risk Management Committee: https://www.upson.com.ph/about-us/#our-leaders	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant		
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.	Non-compliant	Provide link to CEO and CAE's attestation	The Corporation is not yet a publicly-listed company during the covered period of this report. Nonetheless, the Corporation intends to comply with the corporate governance recommendations from the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE).
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	<p>Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.</p> <p>See Policies and Guidelines of Shareholders and Stakeholders (page 15 of the Manual on Corporate Governance): https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf</p>	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	<p>Provide link to company's website</p> <p>See Policies and Guidelines of Shareholders and Stakeholders (page 15 of the Manual on Corporate Governance): https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf</p>	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	Compliant		
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>See Manner of Voting (page 7 of the Amended By-laws): https://www.upson.com.ph/wp-content/uploads/2022/05/UIC-Amended-By-Laws-2-March-2022.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 required by laws, rules, and regulations.</p>	
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Compliant	<p>Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution)</p> <p>See Special Meeting (page 2 of the Amended By-laws): https://www.upson.com.ph/wp-content/uploads/2022/05/UIC-Amended-By-Laws-2-March-2022.pdf</p>	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Complaint	<p>Provide information or link/reference to the policies on treatment of minority shareholders</p> <p>See Policies and Guidelines of Shareholders and Stakeholders (page 15 of the Manual on Corporate Governance): https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-</p>	

		Manual-on-Corporate-Governance.pdf	
7. Company has a transparent and specific dividend policy.	Non-compliant	<p>Provide information on or link/reference to the company's dividend Policy.</p> <p>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</p> <p>See Dividends and Dividend Policy (page 51 of 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 </p>	The Corporation is not yet a publicly-listed company during the covered period of this report. Nonetheless, the Corporation intends to comply with the SEC's corporate governance recommendations.
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.		Identify the independent party that counted/validated the votes at the ASM, if any.	
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.	Non-compliant	<p>Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out</p> <p>Indicate whether shareholders' approval of remuneration or any</p>	The Corporation is not yet a publicly-listed company during the covered period of this report. Nonetheless, the Corporation intends to comply with the SEC's corporate governance recommendations.

		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)	
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Non-compliant	Provide link or reference to the company's notice of Annual Shareholders' Meeting	The Corporation is not yet a publicly-listed company during the covered period of this report. Nonetheless, the Corporation intends to comply with the SEC's corporate governance recommendations.
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Non-compliant		The Corporation is not yet a publicly-listed company during the covered period of this report. Nonetheless, the Corporation intends to comply with the SEC's corporate governance recommendations.
b. Auditors seeking appointment/re-appointment	Non-compliant		The Corporation is not yet a publicly-listed company during the covered period of this report. Nonetheless, the Corporation intends to comply with the SEC's corporate governance recommendations.
c. Proxy documents	Non-Compliant		The Corporation is not yet a publicly-listed company during the covered period of this report. Nonetheless, the Corporation intends to comply with the SEC's corporate governance recommendations.
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting		Provide link or reference to the rationale for the agenda items	

Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Non-compliant	Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.	The Corporation is not yet a publicly-listed company during the covered period of this report. Nonetheless, the Corporation intends to comply with the SEC's corporate governance recommendations.
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.	Non-compliant	Provide link to minutes of meeting in the company website. Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes. Indicate also if the voting on resolutions was by poll. Include whether there was opportunity to ask question and the answers given, if any	
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.	Non-compliant	Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting	The Corporation is not yet a publicly-listed company during the covered period of this report. Nonetheless, the Corporation intends to comply with the SEC's corporate governance recommendations.
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.	Non-complaint	Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes	The Corporation is not yet a publicly-listed company during the covered period of this report. Nonetheless, the Corporation intends to comply with the SEC's corporate governance recommendations.

2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Non-complaint	Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes	The Corporation is not yet a publicly-listed company during the covered period of this report. Nonetheless, the Corporation intends to comply with the SEC's corporate governance recommendations.
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 <p>Rachelle Paunlagui, +632 8526 7152, iro@upson.com.ph</p>	
2. IRO is present at every shareholder's meeting.	Compliant	<p>Indicate if the IRO was present during the ASM.</p> <p>The IRO shall be present during ASMs.</p>	
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	<p>Provide information on how anti-takeover measures or similar devices were avoided by the board, if any.</p> <p>The Corporation's public float as of April 3, 2023 is 21.98% only. This current structure of the Corporation would prevent possible takeover.</p>	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Non-compliant	<p>Indicate the company's public float.</p> <p>21.98% as of April 3, 2023 (The Corporation's Listing Date)</p>	The Corporation is compliant with the minimum requirement for public float.
Optional: Principle 13			

1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	Compliant	<p>Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM</p> <p>The Corporation established various means of communication, through its website, email, and phone number, to encourage shareholder participation beyond shareholder meetings.</p>	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.		Disclose the process and procedure for secure electronic voting in absentia, if any.	

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>See General Information Sheet: https://www.upson.com.ph/disclosures/category/general-information-sheet/; and</p> <p>Manual on Corporate Governance: https://www.upson.com.ph/wp-content/uploads/2022/02/Upson- </p>	
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		Manual-on-Corporate-Governance.pdf	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	<p>Identify policies and programs for the protection and fair treatment of company's stakeholders</p> <p>See Policies and Guidelines on Shareholders and Stakeholders (page 16 of the Manual on Corporate Governance): https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf</p>	
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 Compliance Officer or Corporate Secretary, +632 8526 7152, info@upson.com.ph</p> <p>See Policies and Guidelines on Shareholders and Stakeholders (page 16 of the Manual on Corporate Governance):</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.	Non-compliant	Provide information on the alternative dispute resolution system established by the company.	The Corporation is not yet a publicly-listed company during the covered period of this report. Nonetheless, the Corporation intends to comply with the SEC's corporate governance recommendations.
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	Disclose any requests for exemption by the company and the reason for the request.	This is not applicable to the Corporation.
2. Company respects intellectual property rights.	Compliant	Provide specific instances, if any. As respect to the intellectual property rights, the Corporation has been in coordination with the Intellectual Property Office to ensure that the Corporation observes intellectual property rights.	
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	Compliant	Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same.	

		<p>The Corporation established various means of communication, through its website, email, and phone numbers, to address customers' welfare.</p> <p>See contact details: https://www.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>See Policies and Guidelines of Shareholders and Stakeholders (page 15 of the Manual on Corporate Governance): 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>See Policies and Guidelines of Shareholders and Stakeholders</p>	

		(page 15 of the Manual on Corporate Governance): https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf	
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>See Incentives (page 16 of 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>See Health and Safety policies (pages 12 to 13 of the Employee Handbook): https://www.upson.com.ph/wp-content/uploads/2022/02/UIC-Company-Rules-and-Regulation.pdf</p>	
3. Company has policies and practices on training and development of its employees.	Compliant	Disclose and provide information on policies and practices on training and development of employees.	

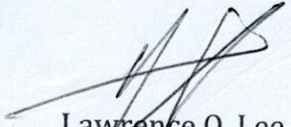
		<p>Include information on any training conducted or attended.</p> <p>Employees undergo orientations and trainings upon onboarding. Employees may also attend trainings if the Management deemed it necessary.</p>	
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices 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>See Anti-bribery and Corruption Policy (page 17 of the Manual on Corporate Governance): 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. Email 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	Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices.	

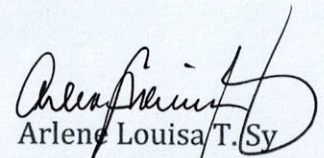
		<p>Include any finding of violations of the company policy.</p> <p>See sanctions (page 26 of the Employee Handbook): https://www.upson.com.ph/wp-content/uploads/2022/02/UIC-Company-Rules-and-Regulation.pdf </p>	
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Compliant	<p>Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees.</p> <p>Indicate if the framework includes procedures to protect the employees from retaliation.</p> <p>Provide contact details to report any illegal or unethical behavior.</p> <p>See Whistleblower Policy (page 17 of the Manual on Corporate Governance): https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf </p>	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant		
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	

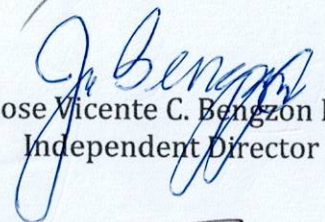
		<p>framework, including any incident of whistleblowing.</p> <p>The Board supervises and ensures the enforcement of the Corporation's whistleblower framework by approving a policy covering whistleblowers under the Manual on Corporate Governance. A regular review shall be done to constantly improve such policy.</p>	
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>See Corporate Social Responsibility and Sustainability (page 20 of the Manual on Corporate Governance): https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.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	

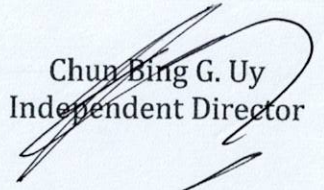
		<p>consistent with promoting sustainable development.</p> <p>See Corporate Social Responsibility and Sustainability (page 20 of the Manual on Corporate Governance): https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf</p>	
2. Company exerts effort to interact positively 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>See Corporate Social Responsibility and Sustainability (page 20 of the Manual on Corporate Governance): https://www.upson.com.ph/wp-content/uploads/2022/02/Upson-Manual-on-Corporate-Governance.pdf</p>	

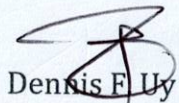
Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in MANILA.

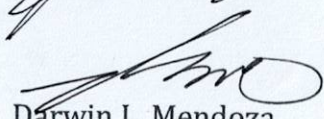

Lawrence O. Lee
Chairman


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

MAY 23 2023

Subscribed and sworn to before me this _____, 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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Series of 2023.


ATTY. JOHN EDWARD TRINIDAD ANG
Notary Public for City of Manila- Until 12-31-2024
Notarial Commission No. 2023-091
ROLL NO. 68731 MCLZ COMPLIANCE NO VII-0011675
IBP NO. 293899-01/10/2023- Pasig City
P.T.R. NO. 0822023-Jan 3, 2023 Manila
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