

COVER SHEET

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S.E.C. Registration Number

H O L C I M P H I L I P P I N E S , I N C .

(Company's Full Name)

7 T H F L O O R , V E N I C E C O R P O R A T E
C E N T E R , 8 T U R I N S T . , M C K I N L E Y
T O W N C E N T E R , T A G U I G C I T Y

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

BELINDA E. DUGAN

Contact Person

(632) 459-3333

Company Telephone Number

1 2 3 1

Month Day Year
Fiscal Year

I-ACGR

FORM TYPE

Second Thursday of May

Month Day
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

5,340

Total no. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = please use black ink for scanning purposes



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended 2017
2. SEC Identification Number 26126 3. BIR Tax Identification No. 000-121-507
4. Exact name of issuer as specified in its charter HOLCIM PHILIPPINES, INC.
5. PHILIPPINES
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. 7/f Two World Square, McKinley Hill, Fort Bonifacio, Taguig City 1634
Address of principal office Postal Code
8. (632)4593333
Issuer's telephone number, including area code
9. NOT APPLICABLE
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
<p>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.</p>			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	COMPLIANT	Please refer to the Corporation's Annual Report for 2017 and Definitive Information Statement for 2018 available at the Company's website www.holcim.ph	
2. Board has an appropriate mix of competence and expertise.	COMPLIANT		
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	COMPLIANT		
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	COMPLIANT	Please refer to the Corporation's Annual Report for 2017 and Definitive Information Statement for 2018 available at the Company's website www.holcim.ph	
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	COMPLIANT	The Corporation's Corporate Governance Manual approved by the Board on April 24, 2017 (the "Corporate Governance Manual") and Board charter are available at www.holcim.ph	

2. Company has an orientation program for first time directors.		The directors attended a corporate governance seminar for 4 hours covering the following topics: (i) 2016 Code of Corporate Governance for PLC's; (ii) Revised Statement of Management Responsibility; (iii) Director's Self-assessment; (iv) Global and Regional Trends for 2017; (v) ERM & Corporate Governance; (vi) Corporate Governance Cases .	
3. Company has relevant annual continuing training for all directors.	COMPLIANT	Please refer to the Corporate Governance Manual available at www.holcim.ph	

Recommendation 1.4

1. Board has a policy on board diversity.	NON-COMPLIANT		The Company has not adopted a formal policy on Board diversity. The Board, however, implements a process for selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies regardless of gender. As of December 30, 2017, the Board is composed of one female and six male members . Currently, the Board is composed of 7 male members.
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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.	NON-COMPLIANT		The Company has not adopted a formal policy on Board diversity. The Board, however, implements a process for selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies regardless of gender. As of December 30, 2017, the Board is composed of one female and six male members . Currently, the Board is composed of 7 male members.
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	COMPLIANT	Please refer to the Corporate Governance Manual, Annual Report for 2017 and Definitive Information Statement for 2018 which are available at www.holcim.ph .	
2. Corporate Secretary is a separate individual from the Compliance Officer.	NON-COMPLIANT		
3. Corporate Secretary is not a member of the Board of Directors.	COMPLIANT		
4. Corporate Secretary attends training/s on corporate governance.	COMPLIANT	The Corporate Secretary attends the Corporate Governance Seminar together with the Directors. A certificate of attendance was filed by the Corporate Secretary with the SEC and PSE, a copy of which is available at www.holcim.ph .	

Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	COMPLIANT	The Corporate Secretary prepares all materials for Board and Board Committee meetings, which are required by Corporate Governance Manual and the Charter of the Board of Directors to be sent to the Board members at least five business days prior to the meeting.	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	COMPLIANT	The Corporate Governance Manual provides that the Corporate Secretary shall also be the Compliance Officer.	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	NON-COMPLIANT	Please refer to the Corporation's Annual Report for 2017 and Definitive Information Statement for 2018 available at the Company's website www.holcim.ph	The Compliance Officer of the Company who is also the Corporate Secretary has a rank of Vice President. The Company will endeavor to comply with this recommendation.
3. Compliance Officer is not a member of the board.	COMPLIANT		.
4. Compliance Officer attends training/s on corporate governance.	COMPLIANT	The Corporate Secretary attends the Corporate Governance Seminar together with the Directors. A certificate of attendance was filed by the Corporate Secretary with the SEC and PSE, a copy of which is available at www.holcim.ph .	
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	The Board of Directors meets regularly on a quarterly basis to discuss matters concerning the Company. The Corporate Secretary prepares all materials for Board and Board Committee meetings, which are required to be sent to the Board members at least one week prior to the meeting. The Board members may ask the Corporate Secretary for information or materials to allow them to prepare for meetings	
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	COMPLIANT	Pursuant to the Company's By-laws, the Board regularly meets at least on quarterly basis and as often as may be necessary to discuss matters concerning the Company's business objectives and strategy. Please refer to HPI's By-laws, Corporate Governance Manual, Annual Report for 2017 and Definitive Information Statement for 2018 which are available at www.holcim.ph	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	COMPLIANT	Please refer to HPI's Corporate Governance Manual, Annual Report for 2017 and Definitive Information Statement for 2018 which are available at www.holcim.ph .	
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	COMPLIANT	Please refer to the Corporate Governance Manual available at www.holcim.ph .	

2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	COMPLIANT	Please refer to the Corporate Governance Manual, Annual Report for 2017 and Definitive Information Statement for 2018 which are available at www.holcim.ph .	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	COMPLIANT	Please refer to the Corporation's Annual Report for 2017 and Definitive Information Statement for 2018 available at the Company's website www.holcim.ph	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	Please refer to the Corporate Governance Manual, Annual Report for 2017 and Definitive Information Statement for 2018 which are available at www.holcim.ph	
2. Board adopts a policy on the retirement for directors and key officers.	NON-COMPLIANT		The Corporation has a retirement plan covering all of its regular employees which includes key officers. However, the retirement plan does not include the Board of Directors and expatriates.
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	COMPLIANT	The Company's remuneration policy is based on the Total Rewards System. Also., please refer to the Corporation's Annual Report for 2017	

2. Board adopts a policy specifying the relationship between remuneration and performance.	COMPLIANT	and Definitive Information Statement for 2018 which are available at www.holcim.ph Please refer to the Corporation's Corporate Governance Manual, Annual Report for 2017 and Definitive Information Statement for 2018 which are available at www.holcim.ph	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT		
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	COMPLIANT	Pursuant to the Corporation's Corporate Governance Manual, the compensation of officers are deliberated upon by the Corporate Governance Committee which then endorses the same to the Board for approval. Please refer to the Corporate Governance Manual and Charter of the Corporate Governance Committee which are available at www.holcim.ph	

<p>2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.</p>			
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Recommendation 2.6

<p>1. Board has a formal and transparent board nomination and election policy.</p>	<p>COMPLIANT</p>	<p>Please refer to the Company's By-laws, Corporate Governance Manual, Charter of the Corporate Governance Committee, Annual Report for 2017 and Definitive Information Statement for 2018 which are available at www.holcim.ph</p>	
<p>2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.</p>	<p>COMPLIANT</p>		

3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	COMPLIANT		
4. Board nomination and election policy includes how the board shortlists candidates.	COMPLIANT		
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	COMPLIANT		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT		
Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.			
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	Please refer to the Company's Related Party Transactions Policy (approved by the Board on May 18, 2018) which is available at www.holcim.ph	

2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT		
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	COMPLIANT		
Supplement to Recommendations 2.7			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The 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>RPT categories under the RPT policy:</p> <p>Exempt: Transactions in the ordinary course of business that do not exceed Php 50M</p> <p>Material: Transactions with total contractual value of more the Php 50M</p> <p>Prohibited: Loans/ financial assistance to directors or to employees unless allowed pursuant to established Company policy</p> <p>Please refer to the Company's Related Party Transactions Policy (approved by the Board on May 18, 2018) which is available at www.holcim.ph</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>The Company adopts the provisions of the Corporation Code on approvals by shareholders.</p> <p>Please refer to the Corporation's By-laws available at www.holcim.ph</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	All nominees for executive positions are evaluated by the Corporate Governance Committee composed of 5 members of the Board including the CEO. The CG Committee then endorses the names of the approved nominees for Management positions for approval by the Board	.
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).	COMPLIANT	Please refer to the and Charter of the Board of Directors which are available at www.holcim.ph	Please refer to the Corporate Governance Manual which is available at www.holcim.ph
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT	The Board, through the CEO and Organization and Human Resource Function, implements a performance management framework which involves midyear and annual performance review of the personnel's performance	
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	Please refer to the Corporate Governance Manual which is available at www.holcim.ph	
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	COMPLIANT	Please refer to the Corporate Governance Manual and Charter of the Audit Committee which are available at www.holcim.ph .	

2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	COMPLIANT		
3. Board approves the Internal Audit Charter.	COMPLIANT	Please refer to the Internal Control and Quality Assurance (ICQA) Charter available at www.holcim.ph	
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	COMPLIANT	Please refer to the Corporate Governance Manual and Charter of the Audit Committee which are available at www.holcim.ph .	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	COMPLIANT		
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	COMPLIANT	The Charter of the Board of Directors is available at www.holcim.ph	
2. Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT		
3. Board Charter is publicly available and posted on the company's website.	COMPLIANT		
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	COMPLIANT	The Company's Insider Trading Policy is available at www.holcim.ph .	

Optional: Principle 2			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.	COMPLIANT	The Company's Related Party Transactions Policy prohibits granting of loans and/or financial assistance to any Director	
2. Company discloses the types of decision requiring board of directors' approval.	COMPLIANT	The Company adopts the provisions of the Corporation Code on the types of decisions requiring approval by the shareholders.	
<p>Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.</p>			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	COMPLIANT	Please refer to the Corporate Governance Manual and the Committee charters which are available at www.holcim.ph	
Recommendation 3.2			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	COMPLIANT	Please refer to the Corporate Governance Manual and Charter of the Audit Committee, which are available at www.holcim.ph . The Audit Committee is responsible for deliberating and recommending appointment and removal of the Company's external auditor.	

2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	COMPLIANT	Please refer to the Company's Annual Report for 2017 and Definitive Information Statement for 2018 which are available at www.holcim.ph	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	COMPLIANT	Please refer to the Company's Annual Report for 2017 and Definitive Information Statement for 2018 which are available at www.holcim.ph	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	COMPLIANT	Please refer to the Corporation's Annual Report for 2017 and Definitive Information Statement for 2018 which are available at www.holcim.ph	
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	COMPLIANT	The Charter of the Audit Committee requires that all non-audit work of external auditors should be approved by the Audit Committee. For year 2017, external auditors were not engaged for non-audit work.	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	COMPLIANT	Please refer to the Charter of the Audit Committee, Annual Report for 2017 and Definitive Information Statement for 2018 which are available at www.holcim.ph	
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.	COMPLIANT		

2. Audit Committee approves the appointment and removal of the internal auditor.	COMPLIANT		
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	COMPLIANT	Please refer to the Corporate Governance Manual and Charter of the Corporate Governance Committee which are available at www.holcim.ph .	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	COMPLIANT	Pursuant to the Charter of the Corporate Governance Committee, the Committee is currently composed of five directors, 3 of whom are independent directors. Please refer to the Corporate Governance Manual and Charter of the Corporate Governance Committee which are available at www.holcim.ph .	
3. Chairman of the Corporate Governance Committee is an independent director.	NON-COMPLIANT		The Company's Charter of the Corporate Governance Committee provides that the Chairman of the Committee shall be a non-executive non-Independent Director. The Board of Directors assessed that full compliance to this recommendation is not necessary considering that majority of the CG Committee members are independent directors.

Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.	COMPLIANT	Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.	
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	COMPLIANT	The BROC functions are currently exercised by the Audit Committee pursuant to the Charter of the Audit Committee. Please refer to the Charter of the Audit Committee which is available at www.holcim.ph	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	COMPLIANT	The Audit Committee exercises the functions of the BROC. Please refer to the Charter of the Audit Committee, Annual Report for 2017 and Definitive Information Statement for 2018 which is available at www.holcim.ph	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	NON- COMPLIANT		The BROC functions are currently exercised by the Audit Committee pursuant to the Charter of the Audit Committee. Please refer to the Charter of the Audit Committee which is available at www.holcim.ph

<p>4. At least one member of the BROCC has relevant thorough knowledge and experience on risk and risk management.</p>	<p>COMPLIANT</p>	<p>Please refer to the Annual Report for 2017 and Definitive Information Statement for 2018 which is available at www.holcim.ph</p>	
<p>Recommendation 3.5</p>			
<p>1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.</p>	<p>COMPLIANT</p>	<p>Pursuant to the Company's Related Party Transactions Policy, the Audit Committee acts as the RPT Committee.</p> <p>Please refer to the Company's RPT policy available at www.holcim.ph</p>	
<p>2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.</p>	<p>COMPLIANT</p>	<p>Pursuant to the Company's Related Party Transactions Policy, the Audit Committee acts as the RPT Committee. The Audit Committee is composed of two independent directors and one non-executive director. The Chairman of the Audit Committee is an independent director.</p> <p>Please refer to the Company's RPT policy available at www.holcim.ph</p>	

Recommendation 3.6			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	COMPLIANT	Please refer to the Committee Charters which are available at www.holcim.ph	
2. Committee Charters provide standards for evaluating the performance of the Committees.	COMPLIANT		
3. Committee Charters were fully disclosed on the company's website.	COMPLIANT	Please refer to the Committee Charters which are available at www.holcim.ph	

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

Recommendation 4.1			
1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	COMPLIANT	Please refer to the By-laws, Corporate Governance Manual and Charter of the Corporate Governance Committee which are available at www.holcim.ph	
2. The directors review meeting materials for all Board and Committee meetings.	COMPLIANT	The By-laws, Corporate Governance Manual and the Committee Charters require the Corporate Secretary to prepare meeting materials and send the same to directors least 5 business days prior to the scheduled meeting so that the directors may review the said materials and ask questions/ clarifications, if necessary.	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	COMPLIANT		

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	Please refer to the Corporate Governance Manual, Annual Report for 2017 and Definitive Information Statement for 2018 which are available at www.holcim.ph .	
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	COMPLIANT	Please refer to the Corporate Governance Manual which is available at www.holcim.ph	
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.			
2. Company schedules board of directors' meetings before the start of the financial year.			
3.			
4. Board of directors meet at least six times during the year.		Indicate the number of board meetings during the year and provide proof	
5. 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.	COMPLIANT	Please refer to the Annual Report for 2017, Definitive Information Statement for 2018 which are available at www.holcim.ph	
Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	COMPLIANT	Please refer to the Annual Report for 2017, Definitive Information Statement for 2018 which are available at www.holcim.ph	
Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	COMPLIANT	Please refer to the Corporation's By-laws, Annual Report for year 2017, Definitive Information Statement for year 2018 and Corporate Governance Manual which are available at www.holcim.ph .	
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	COMPLIANT	The Company complies with the term limit as provided by the relevant regulations and SEC issuances. Please refer to the Corporation's By-laws, Annual Report for year 2017, Definitive Information Statement for year 2018 and Corporate Governance Manual which are available at www.holcim.ph .	

2. The company bars an independent director from serving in such capacity after the term limit of nine years.	NON- COMPLIANT		While nothing in the Company policies or in the charters bar an independent director from serving in such capacity after the nine-year term limit, the Company will abide by existing laws and regulations. The Company has no intention of extending the service of any independent director beyond the term limit of nine years.
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	COMPLIANT	The Corporation currently has no intention to retain any independent director after the term limit of nine years in compliance with the relevant regulations and SEC issuances.	.
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	COMPLIANT	Chairman: Tomas I. Alcantara CEO: John William Stull (2018) Sapna Sood (2017)	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	COMPLIANT	Please refer to the Company's By-laws, Corporate Governance Manual, Annual Report for 2017 and Definitive Information Statement for 2018 which are available at www.holcim.ph .	
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	COMPLIANT	The Company's Lead Independent Director is Mr. David L. Balangue. Please refer to the Company's, Corporate Governance Manual which is available at www.holcim.ph	.

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	The Company's Corporate Governance Manual requires a director to fully and immediately disclose and should not participate in the decision-making process involving an actual or potential conflict of interest on his part.	
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		Considering the size, risk profile and structure of the Company, the Board assessed that full compliance to this recommendation is not necessary. The Audit Committee meets with the external auditor and the Company's internal auditor.
2. The meetings are chaired by the lead independent director.	NON- COMPLIANT		Considering the size, risk profile and structure of the Company, the Board assessed that full compliance to this recommendation is not necessary. The Audit Committee meets with the external auditor and the Company's internal auditor. The Chairman of the Audit Committee is also the Lead Independent Director.
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.	COMPLIANT	Please refer to the Company's disclosures which are available at www.holcim.ph	

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.	In the process of complying with this recommendation	Following the effectivity of the Corporate Governance Manual on June 1, 2017, the members of the Board of Directors will now conduct and complete a self-assessment on their evaluation individually as a director, and collectively, as a Board.	
2. The Chairman conducts a self-assessment of his performance.	In the process of complying with this recommendation		
3. The individual members conduct a self-assessment of their performance.	In the process of complying with this recommendation		
4. Each committee conducts a self-assessment of its performance.	In the process of complying with this recommendation		
5. Every three years, the assessments are supported by an external facilitator.	In the process of complying to this recommendation		Identify the external facilitator and provide proof of use of an external facilitator.

Recommendation 6.2

1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	In the process of establishing a system	Following the effectivity of the Corporate Governance Manual on June 1, 2017, the Board is currently putting in place systems to comply with the requirements of the Manual and these recommendations.	
2. The system allows for a feedback mechanism from the shareholders.	In the process of establishing a system		
Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
Recommendation 7.1			
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	COMPLIANT	Please refer to the Code of Business Conduct available at www.holcim.ph	
2. The Code is properly disseminated to the Board, senior management and employees.	COMPLIANT	A copy of the Company's Code of Business Conduct (COBC) as well as training on the same is given as part of the employee on-boarding seminar conducted by the OH&R.	
3. The Code is disclosed and made available to the public through the company website.	COMPLIANT	Please refer to the Code of Business Conduct available at www.holcim.ph	
Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	COMPLIANT	Please refer to the Company's Anti-Bribery and Corruption Directive available at www.holcim.ph	
Recommendation 7.2			

1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT	The Internal Control and Quality Assurance (ICQA) has been assisting the Audit Committee of the Board in the effective performance of its oversight responsibilities and improvement of the effectiveness of the Company's governance, risk management and internal control processes which include the COBC.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	COMPLIANT	All Directors, Officers and Employees are required to comply with the Code of Business Conduct.	

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	The Company follows and complies with the disclosure policies and procedures of PSE and SEC. Please refer to the Corporate Governance Manual and Corporate Disclosure made which are available at www.holcim.ph	
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Supplement to Recommendations 8.1

<p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.</p>	<p>COMPLIANT</p>	<p>The Corporation complies with the PSE and SEC disclosure requirements relating to annual and quarterly consolidated reports. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.</p>	
<p>2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p>	<p>COMPLIANT</p>	<p>Please refer to the Annual Report for 2017 and Definitive Information Statement for 2018 which are available at www.holcim.ph.</p>	
Recommendation 8.2			
<p>1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.</p>	<p>COMPLIANT</p>	<p>Please refer to the Corporate Governance Manual and Policy on Dealing in Securities available at www.holcim.ph.</p>	
<p>2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.</p>	<p>COMPLIANT</p>		

Supplement to Recommendation 8.2			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	COMPLIANT	Please refer to the Annual Report for 2017 and Definitive Information Statement for 2018 which are available at www.holcim.ph .	
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	Please refer to the Annual Report for 2017 and Definitive Information Statement for 2018 which are available at www.holcim.ph .	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	Please refer to the Annual Report for 2017 and Definitive Information Statement for 2018 which are available at www.holcim.ph .	
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	COMPLIANT	Please refer to the Corporate Governance Manual available at www.holcim.ph .	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	COMPLIANT	Please refer to the Corporate Governance Manual available at www.holcim.ph	

3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	NON- COMPLIANT		The Company complies with the disclosure requirements of the SEC and PSE relating to remunerations.
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	COMPLIANT	Please refer to the RPT Policy and Corporate Governance Manual available at www.holcim.ph The Corporate Governance Manual prohibits a director from participating in the decision-making process of matters where there is an actual or potential conflict of interest concerning him.	
2. Company discloses material or significant RPTs reviewed and approved during the year.	COMPLIANT	Please refer to the Annual Report for 2017 and Definitive Information Statement for 2018 which are available at www.holcim.ph .	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	COMPLIANT	The Corporate Governance Manual requires directors to fully and immediately disclose actual and potential conflict of interest.	
Optional : Recommendation 8.5			

1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	COMPLIANT	Please refer to the RPT Policy and Corporate Governance Manual available at www.holcim.ph	
Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	COMPLIANT	Please refer to the Annual Report for 2017 and Definitive Information Statement for 2018 which are available at www.holcim.ph .	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	NON- COMPLIANT		The Company's RPT policy does not require engagement of an independent party to evaluate the fairness of the transaction. Based on the assessment of the Board, full compliance with this recommendation is not necessary considering the size, structure, risk profile and complexity of operations of the Company, The Audit Committee exercises this function.
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	The Company complies with all disclosure requirements of the SEC and PSE. There are no such agreements for year 2017.	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	The Company's Corporate Governance Manual is available at www.holcim.ph .	
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	There have been no changes in the Corporate Governance Practices of the Company since the filing of the Corporation's Corporate Governance Manual on May 31, 2017.	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:			
a. Corporate Objectives			
b. Financial performance indicators			

c. Non-financial performance indicators			
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			
f. Attendance details of each director in all directors meetings held during the year			
g. Total remuneration of each member of the board of directors			
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.			
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.			
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.			

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).			
6.			

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

Recommendation 9.1

1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	COMPLIANT	Please refer to the Charter of the Audit Committee available at www.holcim.ph	
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.	The appointment of external auditor was recommended by the Audit Committee and Approved by the Board. Such appointment was ratified by shareholders representing 78.68% of the issued and outstanding shares of stocks of the Company.
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	COMPLIANT	Please refer to the relevant Sec Form 17C filed with the SEC and PSE, a copy of which is available at www.holcim.ph	

Supplement to Recommendation 9.1

1. Company has a policy of rotating the lead audit partner every five years.	COMPLIANT	Please refer to the Corporate Governance Manual available at www.holcim.ph	.
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Recommendation 9.2			
<p>1. Audit Committee Charter includes the Audit Committee’s responsibility on:</p> <ul style="list-style-type: none"> i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor’s independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. 	COMPLIANT	<p>The Charter of the Audit Committee is available at the Company website: https://www.holcim.ph</p>	
<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.</p>	COMPLIANT	<p>The Charter of the Audit Committee is available at the Company website: https://www.holcim.ph</p>	
Supplement to Recommendations 9.2			
<p>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.</p>	COMPLIANT	<p>The Charter of the Audit Committee is available at the Company website: https://www.holcim.ph</p>	

2. Audit Committee ensures that the external auditor has adequate quality control procedures.	COMPLIANT	The Charter of the Audit Committee is available at the Company website: https://www.holcim.ph	
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	The external auditor did not perform any non-audit work for the Company in 2017.	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	COMPLIANT	The Company's Charter of the Audit Committee is available at the Company website: https://www.holcim.ph	
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	COMPLIANT	The External Auditors did not perform non-audit work for the Company for year 2017.	
Additional Recommendation to Principle 9			

<p>1. Company's external auditor is duly accredited by the SEC under Group A category.</p>	<p>COMPLIANT</p>	<p>1. Name of the audit engagement partner: OLIVER C. BUCAO 2. Accreditation number; 1623-A 3. Date Accredited; MARCH 23, 2017 4. Expiry date of accreditation: MARCH 22, 2020 5. Name, address, contact number of the audit firm: Navarro Amper & Co 19th Floor, Net Lima Plaza, 5th Avenue cor. 26th St., Bonifacio Global City, Taguig Philippines</p>	
<p>2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).</p>	<p>COMPLIANT</p>	<p>To the best of its knowledge, Navarro Amper & Co. has not yet been subjected to SOAR Inspection as of date and is awaiting for the relevant SEC issuances on the matter.</p>	

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

Recommendation 10.1

<p>1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.</p>	<p>NON- COMPLIANT</p>		<p>The Company does not currently have a policy on disclosure of non-financial information. The Company adopts and complies with the disclosure requirements of SEC and PSE</p>
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2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	NON- COMPLIANT		The Company does not currently have a policy on disclosure of non-financial information. The Company adopts and complies with the disclosure requirements of SEC and PSE
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Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

Recommendation 11.1

1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	COMPLIANT	Company website (www.holcim.ph), press releases, social media accounts, quarterly reports required by PSE and SEC	
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Supplemental to Principle 11

1. Company has a website disclosing up-to-date information on the following:		www.holcim.ph	
a. Financial statements/reports (latest quarterly)	COMPLIANT		
b. Materials provided in briefings to analysts and media	COMPLIANT		
c. Downloadable annual report	COMPLIANT		
d. Notice of ASM and/or SSM	COMPLIANT		
e. Minutes of ASM and/or SSM	COMPLIANT		

f. Company's Articles of Incorporation and By-Laws	COMPLIANT		
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	COMPLIANT		
Internal Control System and Risk Management Framework			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	COMPLIANT	Please refer to the Charter of the Audit Committee and ICQA Charter available at www.holcim.ph	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	COMPLIANT	The Board, through the Audit Committee annually reviews and approves and oversees the implementation of the Company's Business Risk Management (BRM) plan to ensure continued relevance, comprehensiveness and effectiveness. Please refer to the Company's Definitive information Statement for 2018, Annual Report for 2017 and the Charter of the Audit Committee available at www.holcim.ph	

Supplement to Recommendations 12.1			
1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	COMPLIANT	The Company is supported by a Compliance Officer (a position distinct from the Compliance Officer under the Manual) who is specifically tasked to establish and implement the Company's Compliance Program, which includes the COBC, ABCD, Integrity Line, COI Directive, Data Privacy Act and TPDD. The Compliance Officer conducts trainings and workshops on the various directives and policies, attendance to which trainings and workshops are mandatory. Certain directives are supported by e-Learning online tools which are required to be accessed annually with signed certifications.	
Optional: Recommendation 12.1			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.	COMPLIANT	The Company follows the LH global directives on IT issues.	
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	COMPLIANT	The Company has an in-house Internal Audit department.	

Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	COMPLIANT	The Company's internal audit function is headed by Atty. Victoria Tomelden, Head of ICQA, who has all the qualifications of a Chief Audit Executive. In view of the recent approval of the Company's ICQA charter, the change of title from "Head, ICQA" to "Chief Audit Executive" is in process. The responsibilities of the CAE are outlined in the Company's ICQA Charter which is available at www.holcim.ph .	
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 responsibilities of the CAE are outlined in the Company's ICQA Charter which is available at www.holcim.ph .	
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	COMPLIANT	The Company currently does not outsource any of its internal audit activities but in the event that there will be a need to outsource, the Head of Internal Audit/ CAE will manage the outsourced internal audit activity.	
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	NON- COMPLIANT		The Company's size, structure and risk profile do not justify the existence of a separate risk management function. This function is jointly exercised by the Finance and Internal Audit under the supervision of the Audit Committee

Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	COMPLIANT	For year 2017, no external technical support was necessary.	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	NON- COMPLIANT		The Company does not have a Chief Risk officer. The functions of the CRO are now being exercised by the Company's CFO, Ms. Jesusa Natividad L. Rojas.
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	NON- COMPLIANT		The functions of the CRO are now being exercised by the Company's CFO, Ms. Jesusa Natividad L. Rojas
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		The Company's Annual Certification on internal control is signed by the CEO and the CFO. Moving forward, the CAE will also sign the attestation.
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	Please refer to the Company's Corporate Governance Manual available at the Company's website www.holcim.ph	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	COMPLIANT	Please refer to the Company's website www.holcim.ph	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	COMPLIANT	Please refer to the Company's By-laws available at www.holcim.ph .	

2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	COMPLIANT	The Corporation has Common and Preferred Shares and shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights. Please see Corporation's Articles of Incorporation available at the Company's website www.holcim.ph	
3. Board has an effective, secure, and efficient voting system.	COMPLIANT	Please see the Company's Articles of Incorporation and Section 6.1 (a) of the New Manual of Corporate Governance available at www.holcim.ph	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.	NON- COMPLIANT		Stockholders of record owning common shares are entitled to one vote per share.
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	Please see Section 6.1 (d) of the New Manual of Corporate Governance available at www.holcim.ph	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	COMPLIANT	Please see Section 6.1 of the New Manual of Corporate Governance available at www.holcim.ph	

7. Company has a transparent and specific dividend policy.	COMPLIANT	<p>The Company's Dividend policy can be found in Section 6.1 (e) of the New Manual of Corporate Governance available at the Company's website www.holcim.ph.</p> <p>On May 26, 2017, the Company declared a cash dividend in the amount of Php 0.98 per share to stockholders of record as of June 15, 2017 and which was paid not later than July 6, 2017.</p>	
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	COMPLIANT	The Company's stock and transfer agent, Stock Transfer Service, Inc., validates the attendance. The votes are based on the validated attendance.	
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>The Corporation's By-laws provides that notices should be sent to the stockholders not less than 15 working days before the scheduled date of meeting. Based on the assessment of the Board of Directors, full compliance to this recommendation is not necessary considering the size, structure and risk profile of the Company.</p> <p>Please refer to the Definitive Information Statement for 2018 available at the www.holcim.ph.</p>
Supplemental to Recommendation 13.2			

1. Company's Notice of Annual Stockholders' Meeting contains the following information:	COMPLIANT	Please refer to the Company's Definitive Information Statement for 2018 available at website www.holcim.ph	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	COMPLIANT		
b. Auditors seeking appointment/re-appointment	COMPLIANT		
c. Proxy documents	NON- COMPLIANT		The Company does not solicit proxies.
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.	COMPLIANT	The results of the Annual Shareholders' meeting are immediately disclosed to the SEC and the PSE. Please refer to the 17C filed with the SEC and the PSE and available at www.holcim.ph	
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	COMPLIANT	Minutes of Meeting are available at www.holcim.ph	

Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	COMPLIANT	The external auditors and other relevant individuals are present during ASM.	
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	NON- COMPLIANT		The Board is putting in place an alternative dispute mechanism to resolve intra-corporate disputes in its MCG.
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	NON- COMPLIANT		The Board is putting in place an alternative dispute mechanism to resolve intra-corporate disputes in its MCG.
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	COMPLIANT	Below are the contact details of the Company's Investor Relations Officer who is the same as the Chief Financial Officer: JESUSA NATIVIDAD L. ROJAS (632) 4593333 jena.rojas@lafargeholcim.com	
2. IRO is present at every shareholder's meeting.	COMPLIANT	The IRO, who is also the CFO, is present at every shareholders' meeting.	
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	COMPLIANT	The common shares carry one vote for one share and thus minority shareholders are very well represented.	

2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	NON- COMPLIANT	\	The Company complies with the 10% minimum public float requirement.
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	COMPLIANT	Please refer to the Company's New Manual of Corporate Governance available at the Company's website www.holcim.ph	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	NON- COMPLIANT		The Company does not secure electronic voting in absentia at the Annual Shareholders' meeting. Based on the Company's By-laws if a stockholder can not be physically present at any shareholders' meeting, he can cast his vote by sending a proxy,
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	Please refer to the Company's Manual on Corporate Governance available at the Company's website www.holcim.ph	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	COMPLIANT	Please refer to the Company's Manual on Corporate Governance available at the Company's website www.holcim.ph	

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	Please refer to the website www.holcim.ph	
Supplement to Recommendation 14.3			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	COMPLIANT	Alternative Dispute resolution system mechanisms for different stakeholders are found in different documents/ policies relevant to such stakeholders. (i.e. Contracts for the vendors/ suppliers, HPHI Way for employees, etc.)	
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	The Company does not seek any exemption from the application of a law, rule or regulation concerning corporate governance issues	
2. Company respects intellectual property rights.	COMPLIANT		
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	COMPLIANT	Please refer to the Company's website www.holcim.ph	

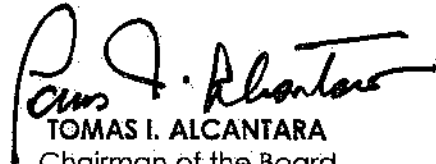
2. Company discloses its policies and practices that address supplier/contractor selection procedures	NON- COMPLIANT		The Company will endeavor to disclose in its website its supplier/contractor selection procedures.
Principle 15: A mechanism for employee participation should be developed to create a 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	The Board, through the CEO and the Organization and Human Resource department, implements programs and procedures aimed to encourage employees to actively participate in the realization of the Company's goals and in its governance.	
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.	NON-COMPLIANT		The Company currently does not have ESOP but it has in place a merit-based performance incentive mechanism that rewards employees based on the Company's performance.
2. Company has policies and practices on health, safety and welfare of its employees.	COMPLIANT	The Company has established policies on health, safety and security of the employees. Please refer to the Health and Safety policies of the Company posted at Company's website www.holcim.ph	

3. Company has policies and practices on training and development of its employees.	COMPLIANT	The Company provides continuous training and development to its employees that include local training in leadership, innovation and foundation courses as well as global technical trainings.	
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	Please refer to the Company's Anti-bribery and Corruption Policy available at the website www.holcim.ph	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	Online and face-to-face trainings across the organization on the ABCD are regularly conducted by the Local Compliance Officer (a position separate and distinct from Corporate Secretary/ Compliance Officer)	
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	Violation of the Company's ABCD is a ground for termination of employment. Please refer to the Company's ABCD available at the website www.holcim.ph	
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	The Company has an Integrity Line under its Anti-Bribery and Corruption Directive, which specifically mandates non-retaliation for good faith reporting of genuine concerns Please refer to the Company's Whistle-Blowing Policy available at the website www.holcim.ph	

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	The Company has an Integrity Line that handles whistleblowing concerns	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	COMPLIANT	Please refer to the Corporate Governance Manual and Whistleblowing Policy available at the Corporation's website www.holcim.ph	
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	The Company has several Community Service Relations (CSR) Programs to its neighboring communities. Please refer to the Company website www.holcim.ph for the Company's CSR programs.	
Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development			
2. Company exerts effort to interact positively with the communities in which it operates			

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 the City of _____ on _____ 2018.

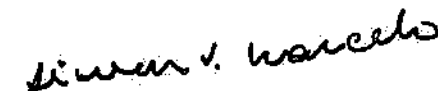
SIGNATURES


TOMAS I. ALCANTARA
Chairman of the Board

JOHN WILLIAM STULL
President/ Chief Executive Officer


DAVID L. BALANGUE
Independent Director


YASUO KITAMOTO
Independent Director

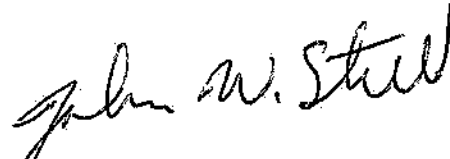

SIMEON V. MARCELO
Independent Director


BELINDA E. DUGAN
Corporate Secretary/Compliance Officer

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SIGNATURES

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Chairman of the Board


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Independent Director

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Independent Director

SIMEON V. MARCELO
Independent Director

BELINDA E. DUGAN
Corporate Secretary/Compliance Officer

SUBSCRIBED AND SWORN to before me this May 29, 2018 , at Taguig City, Metro Manila, affiants exhibiting to me their current competent evidence of identity bearing their photographs and signatures with the following particulars:

Tomas I. Alcantara	Unified Multi-Purpose ID CRN-0111-0521374-6		
Simeon V. Marcelo	Passport No. EC0142903	Department of Foreign Affairs DFA Manila	Jan. 28, 2014
David Lucas B. Balangue	Passport No. EB5787601	Department of Foreign Affairs DFA Manila	Nov. 13, 2013

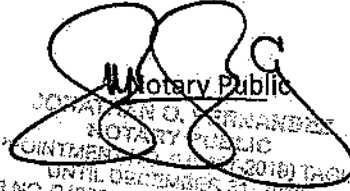
Doc. No. 391 ;
Page No. 78 ;
Book No. VIII ;
Series of 2018.

(Signature)
Marian P. Delic
Notary Public
Taguig City
UNIT BEGON MAY 2018
REGISTRATION NO. VI-0021810
5/F 12th Floor Prime Building
Taguig City
Makindaya Street, Taguig City

SUBSCRIBED AND SWORN to before me this 18th May 2018, at Taguig City, Metro Manila, affiants exhibiting to me their current competent evidence of identity bearing their photographs and signatures with the following particulars:

Name of Affiant	Government-Issued Identification Card	Place Issued/Official Issuing Agency	Date Issued
Yasuo Kitamoto	Passport No. TR1069275	Ministry of Foreign Affairs Japan	Nov. 26, 2013
John William Stull	Passport No. 530501732	Department of State USA	May 12, 2015
Belinda E. Dugan	Passport No. EB9973891	Department of Foreign Affairs NCR South	Jan. 11, 2014

Doc. No. 345 ;
 Page No. 70 ;
 Book No. VIII ;
 Series of 2018.


 Notary Public
 JOYANTEN O. FERNANDEZ
 NOTARY PUBLIC
 APPOINTMENT NO. 1010 (2018) TAGUIG
 UNTIL DECEMBER 31, 2018
 PFR NO. 0400201; C-SP-2018; BAGUIO CITY
 LIFETIME ISF NO. 0000; Bag-Beng Chapter
 RCL NO. 62568
 MOLE COMPLIANCE NO. VI-0851976
 S/F One Campus Plaza Building
 Tower 3 10th Century Avenue
 McKinley Town Center, Taguig City