

COVER SHEET

1 5 9 9 5 0
SEC Registration Number

C R O W N A S I A C H E M I C A L S
C O R P O R A T I O N

(Company's Full Name)

K M . 3 3 M A C A R T H U R H I G H W A Y B O .
T U K T U K A N , G U I G U I N T O , B U L A C A N

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

JASON C. NALUPTA

8632-0905
Company Telephone Number

1 2 3 1
Month Day
Fiscal Year

Month Day
Annual Meeting

SEC FORM - I-ACGR INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

Form Type

Secondary License Type, if applicable

Department Requiring this Doc.

Amended Articles Number/Section

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 = pls. use black ink for scanning purposes



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **2021**
2. SEC Identification Number **159950**
3. BIR Tax Identification No. **025-240-902-000**
4. Exact name of issuer as specified in its charter **CROWN ASIA CHEMICALS CORPORATION**
5. **Metro Manila, Philippines**
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. **Km. 33 MacArthur Highway, Barangay Tuktukan, Guiguinto, Bulacan**
Address of principal office
8. **3015**
Postal Code
8. **(+632) 3413 8032**
Issuer's telephone number, including area code
9. **Not applicable.**
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long-term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	Provide information or link/reference to a document containing information on the following:	
2. Board has an appropriate mix of competence and expertise.	Compliant	<p>1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors</p> <p>See Crown Asia Chemicals Corporation, Definitive 20-IS (pages 9 to 12), available at http://crownpvc.com.ph/pdfupload/Definitive%20Information%20Statement%20(SEC%20Form%2020-IS)%20(1).pdf</p> <p>2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance</p>	

		See Crown Asia Chemicals Corporation, Qualifications and Disqualifications of Directors, in Revised Manual on Corporate Governance (Annex C-1, pages 54-58), available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf	
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.	Non-Compliant	<p>Identify or provide link/reference to a document identifying the directors and the type of their directorships</p> <p>Executive Directors (5)</p> <table><tr><td>Walter H. Lee Villanueva</td><td>Chairman and President</td></tr><tr><td>Tita P. Villanueva</td><td>SVP-CFO</td></tr><tr><td>Nicasio T. Perez</td><td>VP-Treasurer</td></tr><tr><td>Derrick P. Villanueva</td><td>General Manager- PVC Pipes Division</td></tr><tr><td>Hans T. Perez</td><td>General Manager – PP-R/HDPE Pipes Division</td></tr></table> <p>Non-Executive Directors (4)</p> <table><tr><td>Eugene H. Lee Villanueva</td></tr><tr><td>Bede Lovell S. Gomez</td></tr><tr><td>Ernesto R. Alberto</td></tr><tr><td>Marie Therese G. Santos</td></tr></table>	Walter H. Lee Villanueva	Chairman and President	Tita P. Villanueva	SVP-CFO	Nicasio T. Perez	VP-Treasurer	Derrick P. Villanueva	General Manager- PVC Pipes Division	Hans T. Perez	General Manager – PP-R/HDPE Pipes Division	Eugene H. Lee Villanueva	Bede Lovell S. Gomez	Ernesto R. Alberto	Marie Therese G. Santos	<p>While a majority of the members of the Board of Crown Asia Chemicals Corporation (the "Company") are executive (five directors out of nine directors), adequate safeguards are in place to ensure that no group of directors can dominate the decision-making process. Per the Company's Revised Manual on Corporate Governance, a director, whether executive or non-executive, must conduct fair business transactions with the Company, ensure that personal interest does not conflict with the interest of the Company, and exercise independent judgment, among others. The duties and responsibilities of a director are enumerated on pages 6 to 7 of the Company's Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf</p>
Walter H. Lee Villanueva	Chairman and President																
Tita P. Villanueva	SVP-CFO																
Nicasio T. Perez	VP-Treasurer																
Derrick P. Villanueva	General Manager- PVC Pipes Division																
Hans T. Perez	General Manager – PP-R/HDPE Pipes Division																
Eugene H. Lee Villanueva																	
Bede Lovell S. Gomez																	
Ernesto R. Alberto																	
Marie Therese G. Santos																	
Recommendation 1.3																	

<p>1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.</p>	<p>Compliant</p>	<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 Crown Asia Chemicals Corporation, Training Process, in Revised Manual on Corporate Governance, § 5.2 and 5.3, page 15, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	
<p>2. Company has an orientation program for first time directors.</p>	<p>Compliant</p>	<p>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.</p> <p>See Crown Asia Chemicals Corporation, Training Process, in Revised Manual on Corporate Governance, page 15, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf</p> <p>See Certificate of Participation issued by the Philippine Chamber of Commerce and Industry to the Company's Directors for the latter's participation in the "Corporate Governance Seminar" held on 23 November 2021 (attached as Annex "A-1" "A-9") and the Certificate of Completion issued by Risks, Opportunities, Assessment and Management (ROAM) Inc. issued to Mr. Ernesto Alberto, Independent Director of the Company, for completing the Corporate Governance webinar held on 22 October 2021 (attached as Annex "A-10").</p>	

3. Company has relevant annual continuing training for all directors.	Compliant		
---	------------------	--	--

Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	<p>Provide information on or link/reference to a document containing information on the company's board diversity policy.</p> <p>See Crown Asia Chemicals Corporation, Board Diversity Policy, in Revised Manual on Corporate Governance, page 23, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p> <p>Indicate gender composition of the board.</p> <p>The board is composed of seven male directors and two female directors.</p>	
Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	Compliant	<p>Provide information on or link/reference to a document containing the company's policy and measurable objectives for implementing board diversity.</p> <p>See Crown Asia Chemicals Corporation, Board Diversity Policy, in Revised Manual on Corporate Governance, page 23, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	

		<p>Provide link or reference to a progress report in achieving its objectives.</p> <p>The varied qualifications and business experience of the directors point to a successful implementation of the Board Diversity Policy of the Corporation.</p> <p>See Crown Asia Chemicals Corporation, Definitive 20-IS (pages 9 to 12), available at http://crownpvc.com.ph/pdfupload/Definitive%20Information%20Statement%20(SEC%20Form%2020-IS)%20(1).pdf</p>	
Recommendation 1.5			

1. Board is assisted by a Corporate Secretary.	Compliant	<p>Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.</p> <p>1. For information on the Corporate Secretary, see Crown Asia Chemicals Corporation, Definitive 20-IS (page 12), available at http://crownpvc.com.ph/pdfupload/Definitive%20Information%20Statement%20(SEC%20Form%2020-IS)%20(1).pdf</p> <p>2. For information on the duties and functions of the Corporate Secretary, see Crown Asia Chemicals Corporation, The Corporate Secretary, in Revised Manual on Corporate Governance, § 3.2.4, pages 10-12, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf</p>	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		
		Jason C. Nalupta is the Corporate Secretary, while Marie Grace N. Dalupan is the Compliance Officer. Mr. Nalupta is not a member of the Board of Directors.	

4. Corporate Secretary attends training/s on corporate governance.	Compliant	<p>Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered</p> <p>See 08 October 2021 Letter to the Securities and Exchange Commission, with the Certificate of Attendance issued by the Institute of Corporate Directors to the Company's Corporate Secretary and Assistant Corporate Secretary for their completion of the Advanced Corporate Governance Training held on 21 September 2021 (attached as Annex "B").</p>	
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>See 27 May 2022 Secretary's Certificate, attached as Annex "C."</p>	

Recommendation 1.6

1. Board is assisted by a Compliance Officer.	Compliant	Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant	<ol style="list-style-type: none">1. For information on the Compliance Officer, see Crown Asia Chemicals Corporation, Definitive 20-IS (page 12), available at http://crownpvc.com.ph/pdfupload/Definitive%20Information%20Statement%20(SEC%20Form%2020-IS)%20(1).pdf2. For information on the duties and functions of the Compliance Officer, see Crown Asia Chemicals Corporation, Compliance Officer, in Revised Manual on Corporate Governance, § 3.1, pages 3-4, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf	

3. Compliance Officer is not a member of the board.	Compliant	Ms. Grace N. Dalupan, the Compliance Officer, is not a member of the Board of Directors.	
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>See Certificate of Participation issued by the Philippine Chamber of Commerce and Industry to the Company's Compliance Officer for the latter's participation in the "Corporate Governance Seminar" held on 23 November 2021, as submitted to the SEC last 26 November 2021 (attached as Annex "A-9").</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 27 May 2022 Secretary's Certificate, attached as Annex "C."	
--	------------------	---	--

Recommendation 2.2

<p>1. Board oversees the development, review and approval of the company's business objectives and strategy.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting)</p> <p>The Board of Directors regularly meets to oversee, develop, and review the business objectives and strategies of the Company. For 2021, the Board of Directors had seven meetings. Also, the various committees of the Board of Directors also regularly meet to discuss and review the Company's performance. For 2021, the Corporate Governance Committee met two times, while the Audit Committee the Board Risk Oversight Committee met four times each.</p> <p>See 27 May 2022 Secretary's Certificate, attached as Annex "C."</p>	
--	-------------------------	--	--

<p>2. Board oversees and monitors the implementation of the company's business objectives and strategy.</p>	<p>Compliant</p>	<p>Indicate frequency of review of business objectives and strategy</p> <p>The Board of Directors actively oversees the business and strategic plans of the Company. The Board regularly meets to discuss the business operations of the Company, including the review of business objectives and strategies. For 2021, the members of the Board met seven times.</p> <p>See 27 May 2022 Secretary's Certificate, attached as Annex "C."</p>	
<p>Supplement to Recommendation 2.2</p>			

<p>1. Board has a clearly defined and updated vision, mission, and core values.</p>	<p>Compliant</p>	<p>Indicate or provide link/reference to a document containing the company's vision, mission and core values.</p> <p>The Board of Directors has reviewed the vision, mission, and core values of the Company. In 2021, the Vision & Mission Statements and Core Values of the Company were reviewed by the Corporate Governance Committee on 04 February 2021.</p> <p>See 27 May 2022 Secretary's Certificate, attached as Annex "C."</p> <p>See also Crown Asia Chemicals Corporation, Vision & Mission + Core Values available at https://crownpvc.com.ph/company</p>	
<p>2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.</p>	<p>Compliant</p>	<p>The Board holds regular meetings to review the operations and financial performance of the Company and to consider matters brought before it for approval. The Board also periodically evaluates and monitors the implementation of the Company's strategic policies and programs, business plans, operating budgets, including the Management's overall performance.</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 Crown Asia Chemicals Corporation, Definitive 20-IS (page 10), available at http://crownpvc.com.ph/pdfupload/Definitive%20Information%20Statement%20(SEC%20Form%2020-IS)%20(1).pdf</p>	
--	------------------	--	--

Recommendation 2.4

<p>1. Board ensures and adopts an effective succession planning program for directors, key officers and management.</p>	Compliant	<p>Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation.</p> <p>See Crown Asia Chemicals Corporation, Authority and Responsibilities of the Board of Directors, in Revised Manual on Corporate Governance, page 25, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p> <p>See also Crown Asia Chemicals Corporation, Key Responsibilities – Corporate Governance, in Revised Manual on Corporate Governance, page 49, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf</p> <p>The Company is in the active pursuit of creating a concrete succession planning program. In 2021, the Board adopted several changes in its retirement plan as well as an across the board salary adjustment to professionalize its management and key officers.</p>	
---	------------------	---	--

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.	Non-Compliant	<p>See Crown Asia Chemicals Corporation, Corporate Governance Committee Charter, in Revised Manual on Corporate Governance (pages 47-53), available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p> <p>Periodic assessment of Board and Management performance also ensures good performance is given the corresponding incentive or bonus. In the discussion regarding compensation of directors who are executive officers, the concerned directors do not participate in the approvals thereof.</p> <p>See 27 May 2022 Secretary's Certificate, attached as Annex "C."</p>	

Optional: Recommendation 2.5

1. Board approves the remuneration of senior executives.	Compliant	<p>Provide proof of board approval.</p> <p>In the Board Meeting held last 04 February 2021, the Board approved a company-wide adjustment of compensation. This is to ensure that the Company offers competitive salary to attract qualified individuals and retain good officers and employees.</p> <p>See 27 May 2022 Secretary's Certificate, attached as Annex "C."</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.	Compliant	<p>Provide information on or link/reference to a document containing measurable standards to align performance-based remuneration with the long-term interest of the company.</p> <p>The Company sets Key Performance Indices (KPIs) for certain management positions and assesses the performance of said officers based on the KPI set.</p>	

Recommendation 2.6

<p>1. Board has a formal and transparent board nomination and election policy.</p> <p>SEC Form – I-ACGR * Updated 21Dec2017</p>	<p>Compliant</p>	<p>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 they shortlisted candidates and how it encourages nominations from shareholders.</p> <p>See Crown Asia Chemicals Corporation, Corporate Governance Committee Charter (pages 47-53), in Revised Manual on Corporate Governance & Qualifications and Disqualifications of Directors (pages 54-57), available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p> <p>Provide proof if minority shareholders have a right to nominate candidates to the board</p> <p>All stockholders of record, in accordance with the procedure of Nomination and Election of Directors of the Corporation, are entitled to nominate any candidate for election as director.</p> <p>Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.</p> <p>The performance of the Corporate Governance Committee, which is in charge of the nomination, election, and replacement processes, as well as the adequacy of the Corporate Governance Committee Charter, is reviewed annually.</p> <p>See 27 May 2022 Secretary's Certificate, attached as Annex "C."</p>	<p>Page 21 of 138</p>
---	-------------------------	---	-----------------------

2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant		
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant		
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		

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

<p>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.</p>	<p>Compliant</p>	<p>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</p> <p>The Audit Committee is in charge of evaluating the related party transactions of the Company. See Crown Asia Chemicals Corporation, Policy on Related Party Transactions (pages 42-43), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p> <p>See also the Company's Material Related Party Transactions Policy, available at https://crownpvc.com.ph/pdfupload/MATERIAL%20RELATED%20PARTY%20TRANSACTIONS.pdf</p> <p>Identify transactions that were approved pursuant to the policy.</p> <p>While the Audit Committee regularly meets and the balances of RPTs are reported to said Committee, there are no RPTs approved pursuant to this policy.</p>	
---	-------------------------	---	--

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			

<p>1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.</p>	<p>Compliant</p>	<p>In compliance with SEC Memorandum Circular No. 10, S. 2019, the Company Issued its Material Related Party Transactions Policy, approved by the Board of Directors on 22 October 2019.</p> <p>The Material RPT Policy provides that for aggregate RPT transactions within a twelve (12) month period that breaches the materiality threshold of 10% of the Corporation's total assets, the same Board approval would be required for the transaction/s that will cause the series of transactions to meet and exceed the materiality threshold covering the same related party.</p> <p>See Crown Asia Chemicals Corporation, Policy on Material Related Party Transactions, at https://crownpvc.com.ph/pdfupload/MATERIAL%20RELATED%20PARTY%20TRANSACTIONS.pdf</p> <p>See also Crown Asia Chemicals Corporation, Policy on Related Party Transactions (pages 42-43), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	
--	-------------------------	---	--

<p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p>	<p>Compliant</p>	<p>Provide information on voting system, if any.</p> <p>All shareholders are given the opportunity to vote at stockholders' meetings. It is the practice of the Corporation to disclose all its related-party transactions in its Annual Report, which in turn are approved by the shareholders. At the stockholders' meeting, all shareholders are given the chance to raise questions or concerns regarding the matters disclosed in the Annual Report. The shareholders' approval serves as the ratification of the related party transactions so disclosed.</p>	
<p>Recommendation 2.8</p>			

<p>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).</p>	<p>Compliant</p>	<p>Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management.</p> <p>See Crown Asia Chemicals Corporation, Authority and Responsibilities of the Board of Directors (pages 25-27), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p> <p>Identify the Management team appointed</p> <p>President: Mr. Walter H. Villanueva</p> <p>Chief Risk Officer: Mr. Walter H. Villanueva</p> <p>Compliance Officer: Ms. Marie Grace N. Dalupan</p> <p>Internal Audit Manager: Mr. Allan Salvador</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>	<p>Compliant</p>	<p>Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.</p> <p>See Crown Asia Chemicals Corporation, Authority and Responsibilities of the Board of Directors (pages 25-27), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p> <p>Provide information on the assessment process and indicate frequency of assessment of performance.</p> <p>The Board periodically (during meetings) evaluates and monitors the implementation of its strategic policies, programs, business plans, operating budgets, including the Management's overall performance. A formal evaluation process is undertaken at least annually.</p> <p>See 27 May 2022 Secretary's Certificate, attached as Annex "C."</p>	
--	-------------------------	---	--

Recommendation 2.9

1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	Compliant	Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant	<p>The Board is tasked to establish minimum internal control mechanisms for monitoring and overseeing management performance and to monitor the implementation of its strategic policies and programs, including the overall performance of management. See Crown Asia Chemicals Corporation, Charter of the Board of Directors (pages 23-29), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p> <p>The Board conducts Management evaluation and Management in turn conducts personnel evaluation at least once a year.</p>	

Recommendation 2.10

1. Board oversees that an appropriate internal control system is in place.	Compliant	<p>Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system</p> <p>The Company has an Internal Auditor that implements a system of internal control to ensure the integrity of financial reports and protection of the assets of the Company for the benefit of all shareholders. See Crown Asia Chemicals Corporation, Internal Auditor, § 3.2.6, in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	<p>See also Crown Asia Chemicals Corporation, Charter of the Audit Committee, in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	

3. Board approves the Internal Audit Charter.	Compliant	<p>Provide reference or link to the company's Internal Audit Charter</p> <p>The Internal Audit responsibilities and functions are defined in the Audit Committee Charter, which is reviewed annually.</p> <p>See Crown Asia Chemicals Corporation, Charter of the Audit Committee, in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p> <p>The internal audit plan, on the other hand, is prepared and approved annually.</p>	
---	------------------	---	--

Recommendation 2.11

<p>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.</p>	Compliant	<p>Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.</p> <p>The Board appointed a Risk Management Officer tasked to implement policies on risk management and coordinate with the Internal Auditor for risk management issues. In 2021, the Chief Risk Officer appointed was Mr. Walter H. Villanueva.</p> <p>See also Crown Asia Chemicals Corporation, Board Risk Oversight Committee Charter (pages 59-61), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	
---	------------------	---	--

<p>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.</p>	<p>Compliant</p>	<p>Provide proof of effectiveness of risk management strategies, if any.</p> <p>See Crown Asia Chemicals Corporation, Board Risk Oversight Committee Charter (pages 59-61), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p> <p>The Risk Committee annually evaluates the Risk Committee Charter, updates the same by identifying new risks for the Company, and suggests new/improved risk management strategies.</p>	
<p>Recommendation 2.12</p>			
<p>1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.</p>	<p>Compliant</p>	<p>Provide link to the company's website where the Board Charter is disclosed.</p>	
<p>2. Board Charter serves as a guide to the directors in the performance of their functions.</p>	<p>Compliant</p>	<p>See Crown Asia Chemicals Corporation, Charter of the Board of Directors (pages 23-29), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	

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	See Crown Asia Chemicals Corporation, Policy on Insider Trading (pages 31-32), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/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.	Compliant	<p>Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any.</p> <p>See Crown Asia Chemicals Corporation, Policy on Related Party Transactions (pages 42-43), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	

<p>2. Company discloses the types of decision requiring board of directors' approval.</p>	<p>Compliant</p>	<p>Indicate the types of decision requiring board of directors' approval and where there are disclosed.</p> <p>The powers of the Board of Directors are enumerated in the Company's By-Laws. See Crown Asia Chemicals Corporations, Amended By-Laws, Art. III, § 1, available at http://crownpvc.com.ph/pdfupload/Crown%20Asia%20-Cert.%20of%20Amended%20By-Laws%20approved%20on%2029%20March%202019-1.pdf</p> <p>It is the policy of the Company to disclose all material information about it which may affect its viability or its shareholders' interest, whether such material information involves a decision requiring Board approval or not.</p> <p>See Crown Asia Chemicals Corporation, Reportorial Disclosure System of Company's Corporate Governance Policies (pages 15-17), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p> <p>See also Crown Asia Chemicals Corporation, Company Disclosures, available at https://www.crownpvc.com.ph/investors/company disclosures.</p> <p>See also PSE Edge, Company Disclosures, available at http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=657.</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.

Recommendation 3.1

<p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on all the board committees established by the company.</p> <p>To aid the Company in complying with the principles of good corporate governance, the Board constituted the following committees: Audit Committee, Corporate Governance Committee, Board Risk Oversight Committee, and Executive Committee. The Board shall also form other committees as it may deem appropriate.</p> <p>See Crown Asia Chemicals Corporation, Board Committees (§ 3.2.2, pages 8-9), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	
--	-------------------------	--	--

Recommendation 3.2

<p>1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the Audit Committee, including its functions.</p> <p>See Crown Asia Chemicals Corporation, Audit Committee (§ 3.2.2.1, page 8), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</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>The Audit Committee is directly responsible for the appointment, compensation, retention, and oversight of the work of any registered public accounting firm engaged by the Company. See Crown Asia Chemicals Corporation, Charter of the Audit Committee (page 35), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</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>The Audit Committee of the Company in 2021 is composed of Marie Therese G. Santos, Ernesto R. Alberto, and Bede Lovell S. Gomez, all of whom are independent directors, joined by Nicasio T. Perez and Eugene H. Lee Villanueva. Of the five members, only Mr. Perez is an executive director.</p> <p>See Crown Asia Chemicals Corporation, Charter of the Audit Committee (page 33), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	
<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	<p>Compliant</p>	<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 Crown Asia Chemicals Corporation, Definitive 20-IS (pages 9 to 12), available at: http://crownpvc.com.ph/pdfupload/Definitive%20Information%20Statement%20(SEC%20Form%2020-IS)%20(1).pdf</p>	

<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the Chairman of the Audit Committee</p> <p>The Chairperson of the Audit Committee is Marie Therese G. Santos. She is neither the Chairman of the Board of Directors nor of any committee other than the Audit Committee.</p> <p>See 27 May 2022 Secretary's Certificate, attached as Annex "C."</p>	
<p>Supplement to Recommendation 3.2</p>			
<p>1. Audit Committee approves all non-audit services conducted by the external auditor.</p>	<p>Compliant</p>	<p>Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.</p> <p>The Company did not avail itself of any non-audit service from its external auditor.</p>	

<p>2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.</p>	<p>Compliant</p>	<p>Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.</p> <p>The Audit Committee conducted regular meetings and dialogues with the external audit team, at times with and at times without anyone from management present, to discuss the veracity of financial records and reports for the year, as well as to update itself of the progress of the audit. This is being regularly done before the Audited Financial Statements are approved and disclosed to the public.</p> <p>See 27 May 2022 Secretary's Certificate, attached as Annex "C".</p>	
<p>Optional: Recommendation 3.2</p>			
<p>1. Audit Committee meets at least four times during the year.</p>	<p>Compliant</p>	<p>Indicate the number of Audit Committee meetings during the year and provide proof.</p> <p>The Audit Committee meets quarterly. For 2021, the Audit Committee met four times.</p> <p>See 27 May 2022 Secretary's Certificate, attached as Annex "C."</p>	

<p>2. Audit Committee approves the appointment and removal of the internal auditor.</p>	<p>Compliant</p>	<p>Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.</p> <p>The Audit Committee is in charge of organizing the Internal Audit Department and appointing an independent Internal Auditor, as well as setting the terms and conditions of the latter's engagement and removal. See Crown Asia Chemicals Corporation, Charter of the Audit Committee (pages 34-35), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	
<p>Recommendation 3.3</p>			

<p>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.</p>	<p>Compliant</p>	<p>Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions</p> <p>See Crown Asia Chemicals Corporation, Audit Committee (§ 3.2.2.2, pages 8-9), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p> <p>Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.</p> <p>The Corporate Governance Committee ensures that the Board properly performs its corporate governance responsibilities. It prescreens and short lists all candidates nominated to become members of the Board according to the Qualifications and Disqualifications of Directors. See Crown Asia Chemicals Corporation, Corporate Governance Committee Charter (pages 47-53), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	
--	-------------------------	--	--

<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	<p>Compliant</p>	<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>The Corporate Governance Committee of the Company is composed of Bede Lovell S. Gomez, Ernesto R. Alberto, and Marie Therese G. Santos, all of whom are independent directors. Walter H. Villanueva, Tita P. Villanueva and Derrick P. Villanueva are also members of the Committee. For their qualifications, see Crown Asia Chemicals Corporation, Definitive 20-IS (pages 9 to 12), available at: http://crownpvc.com.ph/pdfupload/Definitive%20Information%20Statement%20(SEC%20Form%2020-IS)%20(1).pdf</p>	
--	-------------------------	--	--

<p>3. Chairman of the Corporate Governance Committee is an independent director.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.</p> <p>Bede Lovell S. Gomez, an independent director, is the Chairman of the Corporate Governance Committee. See Crown Asia Chemicals Corporation, Definitive 20-IS (pages 9 to 12), available at http://crownpvc.com.ph/pdfupload/Definitive%20Information%20Statement%20(SEC%20Form%2020-IS)%20(1).pdf</p>	
<p>Optional: Recommendation 3.3.</p>			
<p>1. Corporate Governance Committee meets at least twice during the year.</p>	<p>Compliant</p>	<p>Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.</p> <p>The Corporate Governance Committee met two times in 2021.</p> <p>See 27 May 2022 Secretary's Certificate, attached as Annex "C."</p>	

Recommendation 3.4

<p>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.</p>	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 Crown Asia Chemicals Corporation, Board Risk Oversight Committee (§ 3.2.2.3, page 9), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p> <p>See also Crown Asia Chemicals Corporation, Board Risk Oversight Committee Charter (pages 59-61), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	
---	------------------	--	--

<p>2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p>	<p>Compliant</p>	<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>The Board Risk Oversight Committee is composed of the following independent directors: Ernesto R. Alberto, Marie Therese G. Santos, and Bede Lovell S. Gomez, and the following executive directors, Hans T. Perez and Hans Joseph T. Perez. See Crown Asia Chemicals Corporation, Definitive 20-IS (pages 9 to 12), available at: http://crownpvc.com.ph/pdfupload/Definitive%20Information%20Statement%20(SEC%20Form%2020-IS)%20(1).pdf</p>	
---	-------------------------	---	--

<p>3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the Chairman of the BROC</p> <p>Ernesto R. Alberto is the Chairman of the Board Risk Oversight Committee. See Crown Asia Chemicals Corporation, Definitive 20-IS (pages 9 to 12), available at: http://crownpvc.com.ph/pdfupload/Definitive%20Information%20Statement%20(SEC%20Form%2020-IS)%20(1).pdf</p>	
--	-------------------------	--	--

<p>4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.</p>	<p>Compliant</p>	<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>Mr. Ernesto R. Alberto, the Chairman of the Committee, has been an officer and director in various companies. His vast business experience and stint in various companies equipped him with the knowledge necessary to assist the Company in identifying, assessing, and managing the financial and business risks that the Company may be exposed to. See Crown Asia Chemicals Corporation, Definitive 20-IS (pages 9 to 12), available at http://crownpvc.com.ph/pdfupload/Definitive%20Information%20Statement%20(SEC%20Form%2020-IS)%20(1).pdf</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>Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.</p> <p>The Company's current size, risk profile, and complexity of operations still do not necessitate the creation of a separate Related Party Transactions Committee by the Board. Nonetheless, the Audit Committee is tasked to review and has pre-screening authority for related-party transactions, as defined in applicable rules.</p> <p>See Crown Asia Chemicals Corporation, Charter of the Audit Committee (pages 38-39), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p> <p>See also Crown Asia Chemicals Corporation, Policy on Material Related Party Transactions, available at https://crownpvc.com.ph/pdfupload/MATERIAL%20RELATED%20PARTY%20TRANSACTIONS.pdf.</p>	
--	-------------------------	--	--

<p>2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.</p> <p>The Company's current size, risk profile, and complexity of operations still do not necessitate the creation of a Related Party Transactions Committee by the Board. Nonetheless, the Audit Committee is tasked to review and has prior-approving authority for related-party transactions.</p> <p>The Audit Committee of the Company in 2021 is composed of Marie Therese G. Santos (Chairman), Ernesto R. Alberto, and Bede Lovell S. Gomez, all of whom are independent directors, joined by Nicasio T. Perez and Eugene H. Lee Villanueva. Of the five members, only Mr. Perez is an executive director. See Crown Asia Chemicals Corporation, Definitive 20-IS (pages 9 to 12), available at http://crownpvc.com.ph/pdfupload/Definitive%20Information%20Statement%20(SEC%20Form%2020-IS)%20(1).pdf</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	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	The Committee Charters are annexed to the Company's Revised Manual on Corporate Governance. The Audit Committee Charter is Annex "B." The Corporate Governance Committee Charter is Annex "C." The Board Risk Oversight Committee Charter is Annex "D." The Executive Committee Charter is Annex "E." See Crown Asia Chemicals Corporation, Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf .	

<p>3. Committee Charters were fully disclosed on the company's website.</p>	<p>Compliant</p>	<p>Provide link to company's website where the Committee Charters are disclosed.</p> <p>See Crown Asia Chemicals Corporation, Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	
---	-------------------------	---	--

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

<p>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.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings.</p> <p>See Crown Asia Chemicals Corporation, Meetings (page 25), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p> <p>Please see also the Internal Procedure for the Conduct of Board, Committee, and Shareholders' Meetings via Remote Communication available at http://crownpvc.com.ph/pdfupload/Crown%20Asia%20-%20Internal%20Procedure%20for%20BOD%20and%20SH%20Meeting%20(Remote%20Communication).pdf</p> <p>Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.</p> <p>1. For the directors' attendance and participation in the shareholders' meetings, see Crown Asia Chemicals Corporation, Minutes of All General or Special Stockholders' Meetings, available at http://crownpvc.com.ph/pdfupload/Minutes%20ASM%202021%20CACC.pdf</p> <p>2. For the directors' attendance and participation in the board, committee, and shareholders' meetings, see 27 May 2022 Secretary's Certificate, attached as Annex "C."</p>	
--	-------------------------	---	--

<p>2. The directors review meeting materials for all Board and Committee meetings.</p>	<p>Compliant</p>	<p>The Board of Directors and Committee members are furnished a copy of the materials at least five days before the meeting, giving them ample time to review the meeting materials.</p> <p>One of the duties of a director is to attend and actively participate in Board and committee meetings, review committee materials and, if called for, ask questions or seek explanation. See Crown Asia Chemicals Corporation, Duties and Responsibilities of a Director, § 3.2.1.3, in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	
<p>3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors.</p> <p>See 27 May 2022 Secretary's Certificate, attached as Annex "C."</p>	
<p>Recommendation 4.2</p>			

<p>1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.</p>	<p>Compliant</p>	<p>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</p> <p>The Company allows a director to hold directorships in other companies, provided that these positions do not prevent the director from diligently performing his duties to the Company. As a matter of policy, the non-executive members of the Board may concurrently serve as directors only to a maximum of five publicly-listed companies. See Crown Asia Chemicals Corporation, Policies Relating to the Board (pages 23-24), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</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 Crown Asia Chemicals Corporation, Definitive 20-IS (pages 9 to 12), available at http://crownpvc.com.ph/pdfupload/Definitive%20Information%20Statement%20(SEC%20Form%2020-IS)%20(1).pdf</p>	
<p>Recommendation 4.3</p>			

<p>1. The directors notify the company's board before accepting a directorship in another company.</p>	<p>Compliant</p>	<p>Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.</p> <p>It is the policy of the Company that a director must notify the Board before accepting directorship in another publicly-listed company. In 2020, Mr. Alberto notified the Board prior to his joining the Board (June 2020) and Management (August 2020) of DITO CME Holdings Corp.</p> <p>See Crown Asia Chemicals Corporation, Policies Relating to the Board (pages 23-24), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	
<p>Optional: Principle 4</p>			
<p>1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.</p>	<p>Compliant</p>	<p>The executive directors are Walter H. Villanueva, Tita P. Villanueva, Nicasio T. Perez, Derrick P. Villanueva and Hans T. Perez. None of them serve as director in a listed company other than the Company.</p>	

2. Company schedules board of directors' meetings before the start of the financial year.	Compliant	The tentative schedule of Board meetings for the following year is set during the last quarter of the preceding year.	
3. Board of directors meet at least six times during the year.	Compliant	The Board of Directors met seven times in 2021. See 27 May 2022 Secretary's Certificate, attached as Annex "C."	
4. Company requires as minimum quorum of at least 2/3 for board decisions.	Compliant	<p>Indicate the required minimum quorum for board decisions</p> <p>The presence of 2/3 of the directors is required when determining the quorum of the meeting. See Crown Asia Chemicals Corporation, Meetings (page 25), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	

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	<p>Provide information or link/reference to a document containing information on the number of independent directors in the board</p> <p>Three of the nine directors of the Company are independent. They are Bede Lovell S. Gomez, Marie Therese G. Santos, and Ernesto R. Alberto.</p>	
--	------------------	--	--

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 Crown Asia Chemicals Corporation, Definitive 20-IS (pages 9 to 11), available at http://crownpvc.com.ph/pdfupload/Definitive%20Information%20Statement%20(SEC%20Form%2020-IS)%20(1).pdf</p>	
--	------------------	---	--

Supplement to Recommendation 5.2

1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	Provide link/reference to a document containing information that directors are not constrained to vote independently. See 27 May 2022 Secretary's Certificate, attached as Annex "C."	
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	Provide information or link/reference to a document showing the years IDs have served as such. Marie Therese G. Santos and Ernesto R. Alberto have both been serving as independent directors for seven years now while Bede Lovell S. Gomez has been serving as independent director for six years.	

<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	<p>Compliant</p>	<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>The Independent Directors may only serve for a maximum cumulative term of nine years, after which, they are perpetually barred from re-election as such. Where an Independent Director is elected despite having served for nine years, the Board shall provide meritorious justification/s and seek shareholders' approval during the Annual Meeting of Stockholders. See Crown Asia Chemicals Corporation, Term Limits for Independent Directors (page 24), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	
--	-------------------------	--	--

<p>3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.</p>	<p>Compliant</p>	<p>Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.</p> <p>All Independent Directors have served for less than nine years. See Crown Asia Chemicals Corporation, Term Limits for Independent Directors (page 24), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	
<p>Recommendation 5.4</p>			
<p>1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.</p>	<p>Non-Compliant</p>	<p>Identify the company's Chairman of the Board and Chief Executive Officer</p> <p>The Chairman and President (CEO-equivalent position) is Mr. Walter H. Villanueva.</p>	<p>While the positions of Chairman and President are held by the same person, there are internal checks within the Company's processes to ensure independence of the Board and the respective board committees.</p>

<p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer.</p> <p>For the functions of the Chairman of the Board, see Crown Asia Chemicals Corporation, By-Laws, art. V, § 2. For the functions of the President, see Crown Asia Chemicals Corporation, By-Laws, art. V, § 4. See also Crown Asia Chemicals Corporation, The Chairman of the Board of Directors (pages 24-25) & President (§ 3.2.3.2, pages 9-10), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p> <p>Identify the relationship of Chairman and CEO.</p> <p>The Chairman, while heading meetings of the Board of Directors, is functionally just one of nine members of the Board, who arrive at decisions collectively. The President, being the head of Management, reports to the Board of Directors.</p>	
--	-------------------------	--	--

Recommendation 5.5

<p>1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any.</p> <p>On 18 June 2021, Mr. Bede Lovell S. Gomez was elected as lead independent director. See 27 May 2022 Secretary's Certificate, attached as Annex "C". Part of his functions is to serve as Chairman of the Board, in the absence of the Chairman, as well as to head and chair the meetings of the non-executive directors with the internal and external audit.</p> <p>Indicate if Chairman is independent.</p> <p>The Chairman is not an independent director.</p>	
<p>Recommendation 5.6</p>			
<p>1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.</p>	<p>Compliant</p>	<p>Provide proof of abstention, if this was the case.</p> <p>No such transaction was approved for 2021.</p>	
<p>Recommendation 5.7</p>			

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.	Compliant	<p>Provide proof and details of said meeting, if any.</p> <p>Provide information on the frequency and attendees of meetings.</p> <p>See 27 May 2022 Secretary's Certificate, attached as Annex "C."</p> <p>The collegial nature of the Board, as well as the Company's consistent effort to comply with corporate governance principles and practices, sufficiently ensures that the proper checks and balances are in place within the Company.</p>	
2. The meetings are chaired by the lead independent director.	Compliant	The meetings are chaired by Mr. Bede Lovell S. Gomez, 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	<p>Provide name/s of company CEO for the past 2 years</p> <p>The President of the Company since 01 August 2019 is Mr. Walter H. Villanueva.</p>	

Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.

Recommendation 6.1

1. Board conducts an annual self-assessment of its performance as a whole.	Compliant	Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees. Self-assessments were conducted by the Board for 2021. See 27 May 2022 Secretary's Certificate, attached as Annex "C."	
2. The Chairman conducts a self-assessment of his performance.	Compliant		
3. The individual members conduct a self-assessment of their performance.	Compliant		
4. Each committee conducts a self-assessment of its performance.	Compliant		
5. Every three years, the assessments are supported by an external facilitator.	Non-Compliant	Identify the external facilitator and provide proof of use of an external facilitator.	Since 2015, the Board of Directors of the Company has been conducting self-assessments but has not done so with the assistance of an external facilitator. The Company will evaluate the feasibility and need to engage an external facilitator for the assessment exercise in the future.

Recommendation 6.2

<p>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.</p>	Compliant	<p>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.</p> <p>The Revised Manual on Corporate Governance serves as the minimum criteria in determining the performance of the Board, individual directors, and committees. Board, Committee and director performance assessments are annually done.</p> <p>The contact details of the Investment Relations Officer are available in the website. Also, during the Annual Stockholders' Meetings, the shareholders are given an opportunity to ask questions and provide feedback to the Company regarding Management performance. See Crown Asia Chemicals Corporation, Minutes of the 2021 Annual Stockholders' Meeting, available at http://crownpvc.com.ph/pdfupload/Minutes%20ASM%202021%20CACC.pdf</p>	
---	------------------	---	--

2. The system allows for a feedback mechanism from the shareholders.	Compliant		
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	<p>Provide information on or link/reference to the company's Code of Business Conduct and Ethics.</p> <p>See Crown Asia Chemicals Corporation, Code of Business Conduct and Ethics, available at https://www.crownpvc.com.ph/investors/corporate-governance</p>	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	<p>Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.</p> <p>The directors, members of senior management and employees were furnished copies of the Company's Code of Ethics upon their assumption of their respective positions in the Company. Also, the Code is publicly available in the Company's website.</p>	

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. See Crown Asia Chemicals Corporation, Code of Business Conduct and Ethics, available at https://www.crownpvc.com.ph/investors/corporate_governance .	
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 Crown Asia Chemicals Corporation, Code of Business Conduct and Ethics, available at https://www.crownpvc.com.ph/investors/corporate_governance . See also the Company's Vendor Code of Ethics available at http://crownpvc.com.ph/pdfupload/Vendor%20Code%20of%20Ethics.pdf	
Recommendation 7.2			

<p>1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.</p>	<p>Compliant</p>	<p>Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.</p> <p>Employees may be suspended or terminated in case proven to have violated the Code of Business Conduct and Ethics and internal policies. Directors may be removed from office in case proven to be disqualified from holding directorship position in the Company. See Crown Asia Chemicals Corporation, Qualifications and Disqualifications of Directors, in Revised Manual on Corporate Governance (Annex C-1, pages 54-58), available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p> <p>See also Certification of the Human Resources Department Manager, attached as Annex "D".</p> <p>Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.</p> <p>All directors, officers, managers, employees, suppliers, customers, and stockholders are enjoined to comply with the Code of Business Conduct and Ethics. See Crown Asia Chemicals Corporation, Code of Business Conduct and Ethics, available at https://www.crownpvc.com.ph/investors/corporate_governance.</p>	
--	-------------------------	--	--

2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	See Crown Asia Chemicals Corporation, Charter of the Board of Directors (pages 23-29), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf .	
---	------------------	--	--

Disclosure and Transparency

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

Recommendation 8.1

<p>1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders</p> <p>The Board adopts a full disclosure policy to ensure a comprehensive, accurate, reliable, and timely report to shareholders and other stakeholders. All required reports are timely submitted to SEC and PSE and uploaded in PSE Edge and the Company website.</p> <p>See Crown Asia Chemicals Corporation, Reportorial Disclosure System of Company's Corporate Governance Policies (pages 15-17), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p> <p>See Crown Asia Chemicals Corporation, Company Disclosures, available at https://www.crownpvc.com.ph/investors/company-disclosures</p> <p>See also PSE Edge, Company Disclosures, available at http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=657.</p>	
<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.	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> <table><tr><th>Report</th><th>Date Published</th><th>No. of Days</th></tr><tr><td>1st Quarter</td><td>10 May 2021</td><td>40</td></tr><tr><td>2nd Quarter</td><td>12 August 2021</td><td>43</td></tr><tr><td>3rd Quarter</td><td>11 November 2021</td><td>42</td></tr><tr><td>Annual Report (including AFS)</td><td>24 March 2022</td><td>83</td></tr></table> <p>See PSE Edge, Company Disclosures, available at http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=657.</p>	Report	Date Published	No. of Days	1st Quarter	10 May 2021	40	2nd Quarter	12 August 2021	43	3rd Quarter	11 November 2021	42	Annual Report (including AFS)	24 March 2022	83
Report	Date Published	No. of Days															
1st Quarter	10 May 2021	40															
2nd Quarter	12 August 2021	43															
3rd Quarter	11 November 2021	42															
Annual Report (including AFS)	24 March 2022	83															

<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>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 3. any imbalances between the controlling shareholders' voting power and overall equity position in the company. <p>The Company is compliant with regulations of the Securities and Exchange Commission and Philippine Stock Exchange as to the disclosures of its annual and quarterly financial reports.</p> <p>See Crown Asia Chemicals Corporation, Company Disclosures (Annual Report, 21 March 2022), available at http://crownpvc.com.ph/pdfupload/CACC%202021%20SEC%2017-A.pdf</p>	
<p>Recommendation 8.2</p>			

<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>Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share.</p> <p>See Crown Asia Chemicals Corporation, Reportorial Disclosure System of Company's Corporate Governance Policies (pages 15-17), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</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>	<p>Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.</p> <p>See Crown Asia Chemicals Corporation, Company Disclosures, available at https://www.crownpvc.com.ph/investors/company_disclosures</p> <p>See also PSE Edge, Company Disclosures, available at http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=657.</p>	
--	-------------------------	--	--

Supplement to Recommendation 8.2

<p>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).</p>	<p>Compliant</p>	<p>Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders.</p> <p>See Crown Asia Chemicals Corporation, Company Disclosures, Top 100 available at http://crownpvc.com.ph/pdfupload/CROWN%20TOP100.03.31.2021.xls.pdf</p> <p>See also PSE Edge, Company Disclosures, available at http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=657.</p> <p>Provide link or reference to the company's Conglomerate Map.</p> <p>The Company has neither affiliates nor subsidiaries.</p>	
<p>Recommendation 8.3</p>			

<p>1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	<p>Compliant</p>	<p>Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</p> <p>See Crown Asia Chemicals Corporation, Definitive 20-IS (pages 9 to 12), available at http://crownpvc.com.ph/pdfupload/Definitive%20Information%20Statement%20(SEC%20Form%2020-IS)%20(1).pdf</p>	
<p>2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	<p>Compliant</p>	<p>Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</p> <p>See Crown Asia Chemicals Corporation, Definitive 20-IS (pages 9 to 12), available at http://crownpvc.com.ph/pdfupload/Definitive%20Information%20Statement%20(SEC%20Form%2020-IS)%20(1).pdf</p>	
<p>Recommendation 8.4</p>			

<p>1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.</p>	<p>Compliant</p>	<p>Disclose or provide link/reference to the company policy and practice for setting board remuneration</p> <p>Under the By-Laws of the Company, by resolution of the Board, each director shall receive a reasonable per diem allowance for his attendance at each meeting of the Board. As compensation, the Board shall receive and allocate an amount of not more than ten percent (10%) of the net income before income tax of the Company during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of the stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders.</p> <p>See Crown Asia Chemicals Corporation, Company Disclosures (Annual Report, 21 March 2022, pages 33-34), available at http://crownpvc.com.ph/pdfupload/CACC%202021%20SEC%2017-A.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 Crown Asia Chemicals Corporation, Authority and Responsibilities of the Board of Directors (page 27), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Non-Compliant	Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.	<p>Compensation is disclosed on an aggregate basis in the Annual Report. See Crown Asia Chemicals Corporation, Company Disclosures (Annual Report dated 21 March 2022, pages 33-34), available at http://crownpvc.com.ph/pdfupload/CAC%202021%20SEC%2017-A.pdf</p>
Recommendation 8.5			

<p>1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.</p>	<p>Compliant</p>	<p>Disclose or provide reference/link to company's RPT policies</p> <p>See Crown Asia Chemicals Corporation, Policy on Related Party Transactions (pages 42-43), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p> <p>See also the Company's Policy on Material Related Party Transactions available at https://www.crownpvc.com.ph/investors/corporate_governance.</p> <p>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</p> <p>There was no such RPT approved requiring abstention from any director.</p>	
--	-------------------------	---	--

<p>2. Company discloses material or significant RPTs reviewed and approved during the year.</p>	<p>Compliant</p>	<p>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</p> <ol style="list-style-type: none"> 1. name of the related counterparty; 2. relationship with the party; 3. transaction date; 4. type/nature of transaction; 5. amount or contract price; 6. terms of the transaction; 7. rationale for entering into the transaction; 8. the required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and 9. other terms and conditions <p>While RPTs are not disclosed with all the required details in the previous column, all details required to be disclosed in the Annual Report and Audited Financial Statements are so disclosed, in accordance with the relevant laws and rules of the SEC.</p> <p>See Crown Asia Chemicals Corporation, Company Disclosures (Audited Financial Statements, Note 17, pages 44-47), available at http://crownpvc.com.ph/pdfupload/CACC%202021%20AFS.pdf</p>	
---	-------------------------	---	--

Supplement to Recommendation 8.5

1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	<p>Indicate where and when directors disclose their interests in transactions or any other conflict of interests.</p> <p>See Crown Asia Chemicals Corporation, Policy on Related Party Transactions (pages 42-43), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p> <p>See also the Company's Policy on Material Related Party Transactions available at https://www.crownpvc.com.ph/investors/corporate_governance.</p> <p>In accordance with policy of the Board regarding conflict of interest, these disclosures are made prior to or during the meeting where such transaction is discussed.</p>	
---	------------------	--	--

Optional : Recommendation 8.5

1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	Compliant	<p>Provide link or reference where this is disclosed, if any</p> <p>See Crown Asia Chemicals Corporation, Company Disclosures (Audited Financial Statements, Note 17, pages 44-47), available at http://crownpvc.com.ph/pdfupload/CACC%202021%20AFS.pdf</p>	
--	------------------	--	--

Recommendation 8.6

1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Compliant	Provide link or reference where this is disclosed The Company had no such transaction for 2021.	
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 The Company had no such transaction for 2021. Disclose the rules and procedures for evaluating the fairness of the transaction price, if any. The Company had no such transaction for 2021.	
Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Compliant	Provide link or reference where these are disclosed. No such agreement was executed by the Company or any of its directors, officers, and shareholders in 2021.	

Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	Provide link to the company's website where the Manual on Corporate Governance is posted.	
2. Company's MCG is submitted to the SEC and PSE.	Compliant	See Crown Asia Chemicals Corporation, Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf .	
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. The Company's Revised Manual on Corporate Governance was submitted to the SEC on 31 May 2017. See Revised Manual on Corporate Governance, stamped received on even date, attached as Annex "E" .	
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	Compliant	See Crown Asia Chemicals Corporation, Company Disclosures (Annual Report), available at http://crownpvc.com.ph/pdfupload/CACC%202021%20SEC%2017-A.pdf	

b. Financial performance indicators	Compliant		
c. Non-financial performance indicators	Compliant		
d. Dividend Policy	Compliant		
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant		
f. Attendance details of each director in all directors meetings held during the year	Compliant		
g. Total remuneration of each member of the board of directors	Compliant		

<p>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.</p>	<p>Compliant</p>	<p>Provide link or reference to where this is contained in the Annual Report</p> <p>In accordance with the SEC Memorandum Circular 5 series of 2013, directing publicly-companies to either indicate in their Annual Report the fact of full compliance with their Manual or to delete said section and indicate Corporate Governance matters will be discussed in the ACGR, the Company opted to do the latter.</p> <p>There are no known material deviations from the Corporate Governance Manual of the Corporation.</p> <p>See Crown Asia Chemicals Corporation, Company Disclosures (Annual Report, 21 March 2022, page 37), available at http://crownpvc.com.ph/pdfupload/CACC%202021%20SEC%2017-A.pdf</p>	
--	-------------------------	--	--

<p>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.</p>	<p>Compliant</p>	<p>Provide link or reference to where this is contained in the Annual Report</p> <p>The Board Committees review material controls (through Audit Committee) and risk management systems (through Board Risk Oversight Committee). This, however, is not so disclosed in the Annual Report. We attach to this Annual CG Report the Certification signed by the Risk Committee Chairman, the Audit Committee Chairperson and the Corporate Governance Chairman on the operational, financial and compliance controls of the Company, as well as its Risk Management systems. Please see Annex 'F'.</p>	
--	-------------------------	--	--

<p>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.</p>	<p>Compliant</p>	<p>Provide link or reference to where this is contained in the Annual Report</p> <p>While the Board believes in the adequacy of the company's internal controls/risk management systems, a statement to such effect is not contained in the Annual Report. We attach to this Annual CG Report the Certification signed by the Risk Committee Chairman, the Audit Committee Chairperson and the Corporate Governance Chairman on the operational, financial and compliance controls of the Company, as well as its Risk Management systems. Please see Annex 'F'.</p>	
<p>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).</p>	<p>Compliant</p>	<p>Provide link or reference to where these are contained in the Annual Report</p> <p>See Crown Asia Chemicals Corporation, Company Disclosures (Annual Report, pages 8-9), available at http://crownpvc.com.ph/pdfupload/CACC%202021%20SEC%2017-A.pdf</p>	

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

<p>1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.</p>	<p>Compliant</p>	<p>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.</p> <p>The Audit Committee implements a process for recommending the reappointment/appointment, removal and fees of external auditors. Recommendation is elevated to the Board and submitted to shareholders for ratification.</p> <p>See Crown Asia Chemicals Corporation, Charter of the Audit Committee, in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	
---	-------------------------	--	--

<p>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.</p>	<p>Compliant</p>	<p>Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.</p> <p>The reappointment of Punongbayan & Araullo as the Company's external auditor for 2021 was approved by holders of 496,463,001 shares, present in person or by proxy, or a total of 81.30% of the total outstanding capital stock of the Company. See Crown Asia Chemicals Corporation, Minutes of the 2021 Annual Stockholders' Meeting, available at http://crownpvc.com.ph/pdfupload/Minutes%20ASM%202021%20CACC.pdf</p>	
<p>3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.</p> <p>There was no change of external auditor from the previous year.</p>	
<p>Supplement to Recommendation 9.1</p>			

<p>1. Company has a policy of rotating the lead audit partner every five years.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years.</p> <p>See Crown Asia Chemicals Corporation, Revised Manual on Corporate Governance (pages 12 & 35), available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	
<p>Recommendation 9.2</p>			
<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. 	<p>Compliant</p>	<p>Provide link/reference to the company's Audit Committee Charter</p> <p>See Crown Asia Chemicals Corporation, Charter of the Audit Committee, in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</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>	<p>Compliant</p>	<p>Provide link/reference to the company's Audit Committee Charter</p> <p>See Crown Asia Chemicals Corporation, Charter of the Audit Committee, in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	
<p>Supplement to Recommendations 9.2</p>			
<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>	<p>Compliant</p>	<p>Provide link/reference to the company's Audit Committee Charter</p> <p>See Crown Asia Chemicals Corporation, Charter of the Audit Committee, in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	

<p>2. Audit Committee ensures that the external auditor has adequate quality control procedures.</p>	<p>Compliant</p>	<p>Provide link/reference to the company's Audit Committee Charter</p> <p>See Crown Asia Chemicals Corporation, Charter of the Audit Committee, in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	
<p>Recommendation 9.3</p>			
<p>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.</p>	<p>Compliant</p>	<p>Disclose the nature of non-audit services performed by the external auditor, if any.</p> <p>There are no non-audit services conducted by the external auditor for the Company.</p>	

<p>2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.</p>	<p>Compliant</p>	<p>Provide link or reference to guidelines or policies on non-audit services</p> <p>It is the responsibility of the Audit Committee to assess the integrity and independence of the external auditor, taking into consideration the relevant Philippine professional and regulatory requirements. The committee shall also review and monitor the external auditor's suitability and effectiveness. See Crown Asia Chemicals Corporation, Charter of the Audit Committee, in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	
<p>Supplement to Recommendation 9.3</p>			
<p>1. Fees paid for non-audit services do not outweigh the fees paid for audit services.</p>	<p>Compliant</p>	<p>Provide information on audit and non-audit fees paid.</p> <p>There are no non-audit services conducted by the external auditor for the Company.</p>	
<p>Additional Recommendation to Principle 9</p>			

<p>1. Company's external auditor is duly accredited by the SEC under Group A category.</p>	<p>Compliant</p>	<p>Provide information on company's external auditor, such as:</p> <ol style="list-style-type: none"> 1. Name of the audit engagement partner: John Endel S. Mata 2. Accreditation Number: Accreditation No. 121347 - SEC; Firm No. 0002-FR-5 3. Date Accredited: 2019 Audit Period (Mr. Mata) November 24, 2020 (Firm) 4. Expiry date of accreditation: Until December 31, 2023 (Mr. Mata); Until December 31, 2024 (Firm) 5. Name, address, and contact number of the audit firm: Punongbayan & Araullo 20th Floor, Tower 1, The Enterprise Center, 6766 Ayala Avenue, 1200 Makati City Tel. No. (02) 988-22-88 	
--	-------------------------	---	--

<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>Provide information on the following:</p> <ol style="list-style-type: none"> 1. Date it was subjected to SOAR inspection, if subjected 2. Name of the Audit firm; and 3. Members of the engagement team inspected by the SEC <p>The Company's external auditor, Punongbayan & Araullo, was subjected to the SOAR Program on September 3-14, 2017. The names of the members of the engagement team were provided to the SEC during the SOAR inspection</p>	
<p>Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.</p>			
<p>Recommendation 10.1</p>			

<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>Compliant</p>	<p>Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.</p> <p>It is Company practice to disclose all key risks and risk-mitigating measures in its Annual Report, including those issues underpinning sustainability.</p> <p>See also Crown Asia Chemicals Corporation, Reportorial Disclosure System of Company's Corporate Governance Policies (pages 15-17), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	
<p>2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.</p>	<p>Compliant</p>	<p>Provide link to Sustainability Report, if any. Disclose the standards used.</p> <p>The Company's Sustainability Report was submitted on 21 March 2022.</p> <p>See Crown Asia Chemicals Corporation, Company Disclosures (Sustainability Report, 21 March 2022), available at http://crownpvc.com.ph/pdfupload/CACC%202021%20Sustainability%20Report.pdf</p>	

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

<p>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.</p>	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>Prior to the declaration of quarantine restrictions, the Company regularly conducted Investors' Briefings at least once a year. Since going public, the Company has also regularly disclosed Press Releases via PSE EDGE. The existing official website of the Company is a cost-efficient channel of communication. The Company's disclosures are also at the PSE Edge. See Crown Asia Chemicals Corporation, Company Disclosures, available at https://www.crownpvc.com.ph/investors/company-disclosures.</p> <p>See also PSE Edge, Company Disclosures, available at http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=657.</p>	
--	------------------	---	--

Supplemental to Principle 11

1. Company has a website disclosing up-to-date information on the following:	Compliant	Provide link to company website. See Crown Asia Chemicals Corporation website at https://www.crownpvc.com.ph/ See also Crown Asia Chemicals Corporation, Company Disclosures, available at https://crownpvc.com.ph/investors/company_disclosures	
a. Financial statements/reports (latest quarterly)	Compliant	See also PSE Edge, Company Disclosures, available at http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=657 .	
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	See Crown Asia Chemicals Corporation, available at http://crownpvc.com.ph/ .	
Internal Control System and Risk Management Framework			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			

Recommendation 12.1

<p>1. Company has an adequate and effective internal control system in the conduct of its business.</p>	Compliant	<p>List quality service programs for the internal audit functions.</p> <p>Internal Audit provides full audit, general audit, spot audit, situational audit, and follow-up audit.</p> <p>Indicate frequency of review of the internal control system.</p> <p>Review of the internal control system is done at least annually.</p> <p>See Crown Asia Chemicals Corporation, Charter of the Audit Committee, in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	
---	------------------	--	--

<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>Compliant</p>	<p>Identify international framework used for Enterprise Risk Management</p> <p>Provide information or reference to a document containing information on:</p> <ol style="list-style-type: none"> 1. Company's risk management procedures and processes 2. Key risks the company is currently facing 3. How the company manages the key risks <p>Indicate frequency of review of the enterprise risk management framework.</p> <p>See Crown Asia Chemicals Corporation, Enterprise Risk Management, available at https://www.crownpvc.com.ph/investors/corporate_governance.</p> <p>Key risks and risk management strategies are discussed in the Annual Report of the Company, available at http://crownpvc.com.ph/pdfupload/CAC_C%202021%20SEC%2017-A.pdf</p> <p>See also Crown Asia Chemicals Corporation, Board Risk Oversight Committee Charter (pages 59-61), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	
--	-------------------------	---	--

Supplement to Recommendations 12.1

1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	Compliant	Provide information on or link/reference to a document containing the company's compliance program covering compliance with laws and relevant regulations. See Crown Asia Chemicals Corporation, Revised Manual on Corporate Governance, available at http://crownpvc.com.ph/blog/wp-content/uploads/2016/01/Manual-on-Corporate-Governance.pdf .	
--	------------------	--	--

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>	<p>Compliant</p>	<p>Provide information on IT governance process</p> <p>IT issues are tackled in meetings of the Board and the relevant Committees. Some issues pertaining to IT subject of audit reports were also discussed in the Audit Committee meetings.</p> <p>See also Crown Asia Chemicals Corporation, Board Risk Oversight Committee Charter (pages 59-61), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	
<p>Recommendation 12.2</p>			

<p>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.</p>	<p>Compliant</p>	<p>Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.</p> <p>Internal Audit is done in-house. The Company has an Internal Auditor that implements a system of internal control to ensure the integrity of financial reports and protection of the assets of the Company for the benefit of all shareholders. See Crown Asia Chemicals Corporation, Internal Auditor, § 3.2.6, in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p> <p>See also Crown Asia Chemicals Corporation, Charter of the Audit Committee, in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	
<p>Recommendation 12.3</p>			

1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	<p>Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.</p> <p>The Chief Audit Executive/Internal Audit Manager is Mr. Allan Salvador.</p> <p>See also Crown Asia Chemicals Corporation, Charter of the Audit Committee, in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	
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 Company has no outsourced internal audit activity. The Chief Audit Executive/Internal Audit Manager is responsible for the internal audit activities of the Company.	
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	<p>Identify qualified independent executive or senior management personnel, if applicable.</p> <p>The Company has no outsourced internal audit activity.</p>	
Recommendation 12.4			

<p>1. Company has a separate risk management function to identify, assess and monitor key risk exposures.</p>	<p>Compliant</p>	<p>Provide information on company's risk management function.</p> <p>The Company's Risk Management Officer is tasked to implement policies on risk management and coordinate with the Internal Auditor. The Chief Risk Officer is Mr. Walter H. Villanueva.</p> <p>See also Crown Asia Chemicals Corporation, Board Risk Oversight Committee Charter (pages 59-61), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	
<p>Supplement to Recommendation 12.4</p>			
<p>1. Company seeks external technical support in risk management when such competence is not available internally.</p>	<p>Compliant</p>	<p>Identify source of external technical support, if any.</p> <p>Aside from the Risk Management Officer and Board Risk Oversight Committee, the Company enlists the assistance of its legal counsels and other professionals for technical support in risk management.</p>	
<p>Recommendation 12.5</p>			

<p>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).</p>	<p>Compliant</p>	<p>Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.</p> <p>The Chief Risk Officer is Mr. Walter H. Villanueva. See Crown Asia Chemicals Corporation, Definitive 20-IS (page 10), available at http://crownpvc.com.ph/pdfupload/Definitive%20Information%20Statement%20(SEC%20Form%2020-IS)%20(1).pdf</p> <p>See also Crown Asia Chemicals Corporation, Board Risk Oversight Committee Charter (pages 59-61), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	
---	-------------------------	--	--

2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant	The Chief Risk Officer collaborates with Management in updating and making recommendations to the Board Risk Oversight Committee. He has adequate stature and authority, being concurrently the President of the Company. See Crown Asia Chemicals Corporation, Definitive 20-IS (page 10), available at http://crownpvc.com.ph/pdfupload/Definitive%20Information%20Statement%20(SEC%20Form%2020-IS)%20(1).pdf	
Additional Recommendation to Principle 12			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Compliant	Provide link to CEO and CAE's attestation See Certification of Internal Audit Department Officer in Charge that a sound internal audit control and compliance system is in place and working effectively, attested by the President, attached as Annex "G" .	
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			

1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed. See Crown Asia Chemicals Corporation, Shareholders' Benefit (pages 17-19), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf .	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Provide link to company's website See Crown Asia Chemicals Corporation, available at http://crownpvc.com.ph/ .	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	Compliant	See Crown Asia Chemicals Corporation, Shareholders' Benefit (pages 17-19), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf .	

<p>2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.</p>	<p>Compliant</p>	<p>Provide information on all classes of shares, including their voting rights if any.</p> <p>There is only one class of share, as of 31 December 2021, that is, common. All holders of common shares have equal voting, subscription and transfer rights.</p> <p>See Crown Asia Chemicals Corporation, Articles of Incorporation, available at http://crownpvc.com.ph/pdfupload/SEC%20Cert%20of%20Filing%20of%20Amended%20AOI%20dtd%2018%20Feb%202015.pdf</p> <p>See also Crown Asia Chemicals Corporation, Shareholders' Benefit (pages 17-19), in Revised Manual on Corporate Governance, available at http://crownpvc.com.ph/blog/wp-content/uploads/2016/01/Manual-on-Corporate-Governance.pdf.</p>	
---	-------------------------	---	--

<p>3. Board has an effective, secure, and efficient voting system.</p>	<p>Compliant</p>	<p>Provide link to voting procedure. Indicate if voting is by poll or show of hands.</p> <p>The By-Laws of the Company is silent as to the method by which votes are to be counted. Voting may be by poll, by show of hands or viva voce.</p> <p>See Crown Asia Chemicals Corporation, By-Laws pages 4 to 10 available at http://crownpvc.com.ph/pdfupload/Crown%20Asia%20-Cert.%20of%20Amended%20By-Laws%20approved%20on%2029%20March%202019-1.pdf</p>	
<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.</p>	<p>Compliant</p>	<p>Provide information on shareholder voting mechanisms such as supermajority or "majority of minority", if any.</p> <p>All shareholders, including minority shareholders, have the right to elect, remove, and replace directors. They also have the right to vote on certain corporate acts, as provided under the Corporation Code. For election of directors, the adoption of cumulative voting allows minority shareholders to cumulate their votes to better secure Board seats.</p>	

<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.</p>	<p>Compliant</p>	<p>Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution)</p> <p>See Crown Asia Chemicals Corporation, By-Laws, available at http://crownpvc.com.ph/pdfupload/Crown%20Asia%20-Cert.%20of%20Amended%20By-Laws%20approved%20on%2029%20March%202019-1.pdf</p> <p>As of date, there has been no call for a shareholders' meeting initiated by a stockholder. See 27 May 2022 Secretary's Certificate, attached as Annex "C."</p>	
<p>6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.</p>	<p>Compliant</p>	<p>Provide information or link/reference to the policies on treatment of minority shareholders</p> <p>See Crown Asia Chemicals Corporation, Shareholders' Benefit (pages 17-19), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	

<p>7. Company has a transparent and specific dividend policy.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to the company's dividend Policy.</p> <p>See Crown Asia Chemicals Corporation, Right to Dividends (§ 7.1.6, page 19), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p> <p>See also Crown Asia Chemicals Corporation, Company Disclosures (Annual Report, 21 March 2022, page 13), available at http://crownpvc.com.ph/pdfupload/CACC%202021%20SEC%2017-A.pdf</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> <table border="1"> <thead> <tr> <th>Declaration Date</th> <th>Record Date</th> <th>Payment Date</th> </tr> </thead> <tbody> <tr> <td>07 May 2021</td> <td>25 May 2021</td> <td>15 June 2021</td> </tr> </tbody> </table>	Declaration Date	Record Date	Payment Date	07 May 2021	25 May 2021	15 June 2021	
Declaration Date	Record Date	Payment Date							
07 May 2021	25 May 2021	15 June 2021							
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									

<p>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.</p>	<p>Compliant</p>	<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>Date of Annual Stockholders' Meeting: 18 June 2021</p> <p>Date of sending out notice: 15 May 2021 35 days before the meeting)</p> <p>Date of sending Agenda: 15 May 2022 (35 days before the meeting)</p> <p>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</p> <p>The Agenda did not include approval or changes to remuneration.</p> <p>Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS)</p> <p>See Crown Asia Chemicals Corporation, Definitive 20-IS, available at http://crownpvc.com.ph/pdfupload/Definitive%20Information%20Statement%20(SEC%20Form%2020-IS)%20(1).pdf</p>	
---	-------------------------	--	--

Supplemental to Recommendation 13.2

1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Compliant	<p>Provide link or reference to the company's notice of Annual Shareholders' Meeting</p> <p>See Crown Asia Chemicals Corporation, Notice of Annual Stockholders' Meeting for 2020, available at http://crownpvc.com.ph/pdfupload/Definitive%20Information%20Statement%20(SEC%20Form%2020-IS)%20(1).pdf</p> <p>The invitation provided with the printed Notice of Annual Stockholders' Meeting gives the stockholders an electronic copy of the Definitive 20-IS of the Company.</p>	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant	<p>See Crown Asia Chemicals Corporation, Definitive 20-IS, available at http://crownpvc.com.ph/pdfupload/Definitive%20Information%20Statement%20(SEC%20Form%2020-IS)%20(1).pdf</p>	
b. Auditors seeking appointment/re-appointment	Compliant	<p>See Crown Asia Chemicals Corporation, Definitive 20-IS, available at http://crownpvc.com.ph/pdfupload/Definitive%20Information%20Statement%20(SEC%20Form%2020-IS)%20(1).pdf</p>	

c. Proxy documents	Compliant	See Crown Asia Chemicals Corporation, Definitive 20-IS, available at: http://crownpvc.com.ph/pdfupload/Definitive%20Information%20Statement%20(SEC%20Form%2020-IS)%20(1).pdf	
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	Compliant	Provide link or reference to the rationale for the agenda items See Crown Asia Chemicals Corporation, Definitive 20-IS, available at: http://crownpvc.com.ph/pdfupload/Definitive%20Information%20Statement%20(SEC%20Form%2020-IS)%20(1).pdf	
Recommendation 13.3			

<p>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.</p>	<p>Compliant</p>	<p>Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.</p> <p>The questions of shareholders and the corresponding answers of Management, as well as the results of voting, are duly minuted in the Minutes of the Annual Shareholders' Meeting.</p> <p>See Crown Asia Chemicals Corporation, Minutes of the 2021 Annual Stockholders' Meeting, available at http://crownpvc.com.ph/pdfupload/Minutes%20ASM%202021%20CACC.pdf</p>	
---	-------------------------	---	--

<p>2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.</p>	<p>Compliant</p>	<p>Provide link to minutes of meeting in the company website.</p> <p>See Crown Asia Chemicals Corporation, Minutes of the 2021 Annual Stockholders' Meeting, available at http://crownpvc.com.ph/pdfupload/Minutes%20ASM%202021%20CACC.pdf</p> <p>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.</p> <table border="1"> <thead> <tr> <th>Agenda Item</th><th>Votes in Favor</th><th>Votes Against</th><th>Abstain</th></tr> </thead> <tbody> <tr> <td>Approval of the Minutes of the Previous Meeting of Stockholders</td><td>496,463,001</td><td>0</td><td>0</td></tr> <tr> <td>Approval of 2020 Operation Results</td><td>496,463,001</td><td>0</td><td>0</td></tr> <tr> <td>Ratification of all corporate acts</td><td>496,463,001</td><td>0</td><td>0</td></tr> <tr> <td>Election of nominated directors</td><td>496,463,001</td><td>0</td><td>0</td></tr> <tr> <td>Appointment of External Auditor</td><td>496,463,001</td><td>0</td><td>0</td></tr> </tbody> </table>	Agenda Item	Votes in Favor	Votes Against	Abstain	Approval of the Minutes of the Previous Meeting of Stockholders	496,463,001	0	0	Approval of 2020 Operation Results	496,463,001	0	0	Ratification of all corporate acts	496,463,001	0	0	Election of nominated directors	496,463,001	0	0	Appointment of External Auditor	496,463,001	0	0	
Agenda Item	Votes in Favor	Votes Against	Abstain																								
Approval of the Minutes of the Previous Meeting of Stockholders	496,463,001	0	0																								
Approval of 2020 Operation Results	496,463,001	0	0																								
Ratification of all corporate acts	496,463,001	0	0																								
Election of nominated directors	496,463,001	0	0																								
Appointment of External Auditor	496,463,001	0	0																								

		<p>Indicate also if the voting on resolutions was by poll.</p> <p>Voting during the 2021 ASM was done via online polling through submission of proxies and the online voting platform.</p> <p>Include whether there was opportunity to ask question and the answers given, if any</p> <p>Questions raised and answers given in response thereto are duly recorded in the minutes of the 2021 ASM. Please see http://crownpvc.com.ph/pdfupload/Minutes%20ASM%202021%20CACC.pdf</p>	
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	<p>Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting</p> <p>Representatives from Punongbayan & Araullo, the Company's External Auditor, were present during the Annual Stockholders' Meeting.</p>	
Recommendation 13.4			

<p>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.</p>	<p>Compliant</p>	<p>Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes</p> <p>Under the Manual on Corporate Governance, resort to alternative dispute resolution system to settle conflicts between the Corporation and its shareholders or other third parties, including regulatory authorities is available to shareholders. Also, avenues for alternative dispute resolution are in place under the Philippine legal system.</p>	
<p>2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.</p>	<p>Compliant</p>	<p>Provide link/reference to where it is found in the Manual on Corporate Governance</p> <p>See Crown Asia Chemicals Corporation, Authority and Responsibilities of the Board of Directors (page 27), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	
<p>Recommendation 13.5</p>			

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: Tita P. Villanueva 2. Telephone number: 3413-8032 to 33 or 09178400434 3. Fax Number: 3413-8034 loc 111 4. Email address: tpvillanueva@crownpvc.com.ph 	
2. IRO is present at every shareholder's meeting.	Compliant	<p>Indicate if the IRO was present during the ASM.</p> <p>Ms. Tita P. Villanueva was present during the ASM.</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>There are no anti-takeover measures or similar devices that was proposed or implemented during the year.</p>	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Compliant	<p>Indicate the company's public float.</p> <p>49% as of 31 December 2021.</p>	
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>Aside from the Investors' Briefings conducted by the Company, its shareholders may be provided, upon written request, with periodic reports which disclose personal and professional information about the directors and officers. All shareholders, including minority shareholders, shall have the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided such are for legitimate purposes.</p>	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	Compliant	<p>Disclose the process and procedure for secure electronic voting in absentia, if any.</p> <p>The 2021 ASM was held virtually and shareholders were therefore given the opportunity to vote by sending their proxies or voting through the online portal made available for the 2021 ASM, aside from watching the livestream of the meeting proper.</p>	

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

<p>1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.</p>	<p>Compliant</p>	<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>Information regarding the Company's shareholders is disclosed both to the SEC and PSE.</p> <p>For identification of stakeholders, please see Crown Asia Chemicals Corporation, Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	
<p>Recommendation 14.2</p>			
<p>1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.</p>	<p>Compliant</p>	<p>Identify policies and programs for the protection and fair treatment of company's stakeholders</p> <p>See Crown Asia Chemicals Corporation, Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	

Recommendation 14.3

<p>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.</p>	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>Tita P. Villanueva</p> <p>3413-8032 to 33 or 09178400434</p> <p>3413-8034 loc 111</p> <p>tpvillanueva@crownpvc.com.ph</p> <p>Provide information on whistleblowing policy, practices and procedures for stakeholders</p> <p>See Crown Asia Chemicals Corporation, Whistleblowing Policy (pages 44-46), in Revised Manual on Corporate Governance, available at <u>https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf</u>.</p>	
---	------------------	--	--

Supplement to Recommendation 14.3

1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	Compliant	<p>Provide information on the alternative dispute resolution system established by the company.</p> <p>Under the Manual on Corporate Governance, resort may be made to alternative dispute resolution system to settle conflicts between the Corporation and its shareholders or other third parties, including regulatory authorities. Also, avenues for alternative dispute resolution are in place under the Philippine legal system.</p>	
--	------------------	--	--

Additional Recommendations to Principle 14

1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	Compliant	<p>Disclose any requests for exemption by the company and the reason for the request.</p> <p>There was no request for exemption by the Company.</p>	
2. Company respects intellectual property rights.	Compliant	<p>Provide specific instances, if any.</p> <p>The Company respects intellectual property rights and equally ensures its rights are protected. All company products are patented.</p>	

Optional: Principle 14

<p>1. Company discloses its policies and practices that address customers' welfare</p>	<p>Compliant</p>	<p>Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same.</p> <p>See Crown Asia Chemicals Corporation, Code of Business Conduct and Ethics, available at https://www.crownpvc.com.ph/investors/corporate_governance.</p> <p>See Crown Asia Chemicals Corporation, Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf</p>	
--	-------------------------	---	--

<p>2. Company discloses its policies and practices that address supplier/contractor selection procedures</p>	<p>Compliant</p>	<p>Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same.</p> <p>The Company recognizes the rights of all business partners and strives to forge long-term and mutually-beneficial relationships with them through impartial dealings and adherence to the highest level of moral and ethical conduct. The Company grants equal opportunities to, and promote fair and open competition among vendors and trade partners by encouraging the highest level of productivity, efficiency, quality, and cost-competitiveness.</p> <p>See Crown Asia Chemicals Corporation, Code of Business Conduct and Ethics, available at https://www.crownpvc.com.ph/investors/corporate_governance.</p>	
<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.</p>			
<p>Recommendation 15.1</p>			

<p>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.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.</p> <p>The Board is responsible for establishing policies, programs, and procedures that encourage employees to actively participate in the realization of the Company's goals and its governance. Team-building activities are undertaken to encourage employee participation in identifying company goals and strategizing the fulfillment thereof.</p> <p>The Company recognizes the vital role of its employees to achieving the vision and mission of the Company.</p> <p>See Crown Asia Chemicals Corporation, Corporate Creed, available at http://crownpvc.com.ph/pdfupload/companycreed.jpg</p> <p>See Crown Asia Chemicals Corporation, Whistleblowing Policy (pages 44-46), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p>	
---	-------------------------	---	--

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>The Company conducts annual performance evaluation of employees' performance, with corresponding merit adjustments. Managers are entitled to 14th month pay.</p> <p>See Certification of the Human Resources Department Manager, attached as Annex "D."</p>	
--	------------------	---	--

<p>2. Company has policies and practices on health, safety and welfare of its employees.</p>	<p>Compliant</p>	<p>Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any.</p> <p>Several policies on health, safety and welfare of employees are contained in office memos. Both the Bulacan and Valenzuela Plant implement such policies.</p> <p>See Crown Asia Chemicals Corporation, Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p> <p>See also Certification of the Human Resources Department Manager, attached as Annex "D."</p>	
--	-------------------------	---	--

<p>3. Company has policies and practices on training and development of its employees.</p>	<p>Compliant</p>	<p>Disclose and provide information on policies and practices on training and development of employees. Include information on any training conducted or attended.</p> <p>See Certification of the Human Resources Department Manager, attached as Annex "D."</p> <p>See Crown Asia Chemicals Corporation, Employee Development and Growth, available at http://www.crownpvc.com.ph/investors/corporate_governance</p>	
<p>Recommendation 15.2</p>			
<p>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.</p>	<p>Compliant</p>	<p>Identify or provide link/reference to the company's policies, programs and practices on anti-corruption</p> <p>See Crown Asia Chemicals Corporation, Code of Business Conduct and Ethics, available at https://www.crownpvc.com.ph/investors/corporate_governance.</p> <p>See Crown Asia Chemicals Corporation, Corporate Creed, available at http://crownpvc.com.ph/.</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 made available in the Company's website, as well as through intra-office memoranda.</p>	
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	Compliant	<p>Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices.</p> <p>Include any finding of violations of the company policy.</p> <p>See Crown Asia Chemicals Corporation, Code of Business Conduct and Ethics, available at https://www.crownpvc.com.ph/investors/corporate_governance.</p> <p>See Crown Asia Chemicals Corporation, Corporate Creed, available at http://crownpvc.com.ph/pdfupload/companycreed.jpg</p>	
Recommendation 15.3			

<p>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</p>	<p>Compliant</p>	<p>Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees.</p> <p>See Crown Asia Chemicals Corporation, Whistleblowing Policy (pages 44-46), in Revised Manual on Corporate Governance, available at https://crownpvc.com.ph/pdfupload/Manual-on-Corporate-Governance.pdf.</p> <p>Indicate if the framework includes procedures to protect the employees from retaliation.</p> <p>Whistleblowers are protected from retaliation through the implementation of Protected Disclosure. Protected Disclosure refers to the written deliberate and voluntary disclosure by a director, officer, employee, or any person with relevant information of an actual or potential violation of laws, Company policies and procedures by any director, officer or employee or by any person which affects the Company.</p> <p>Provide contact details to report any illegal or unethical behavior.</p> <p>Tita P. Villanueva</p> <p>3413-8032 to 33 or 09178400434</p> <p>3413-8034 loc 111</p> <p>tpvillanueva@crownpvc.com.ph</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	Reports are made to the Internal Audit Department Manager or to the Investor Relations Officer. The Internal Auditor reports directly to the Audit Committee.	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	<p>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.</p> <p>The Board adopted and approved the Whistleblowing Policy, which is implemented by the Internal Audit Department under the guidance of the Audit Committee. Upon receipt of any disclosure, the Internal Audit Department shall evaluate the disclosure on whether or not it qualifies as protected disclosure under the Policy. If the Internal Audit Department finds that the same is qualified, it shall proceed to investigate the disclosure in accordance with its internal rules and with the guidance of the Company's Audit Committee.</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

<p>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.</p>	<p>Compliant</p>	<p>Provide information or reference to a document containing information on the company's community involvement and environment-related programs.</p> <p>The Company undertakes community engagement and CSR projects in communities in which it operates.</p> <p>See Crown Asia Chemicals Corporation, Company Disclosures, Corporate Social Responsibility available at https://www.crownpvc.com.ph/investors/corporate_governance</p>	
---	-------------------------	---	--

Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	Compliant	<p>Identify or provide link/reference to policies, programs and practices to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development.</p> <p>The Company undertakes CSR projects consistent with its objective of promoting sustainable development.</p> <p>See Crown Asia Chemicals Corporation, Company Disclosures, Corporate Social Responsibility available at https://www.crownpvc.com.ph/investors/corporate_governance</p>	

<p>2. Company exerts effort to interact positively with the communities in which it operates</p>	<p>Compliant</p>	<p>Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.</p> <p>The Company undertakes community engagement and CSR projects in communities in which it operates.</p> <p>See Crown Asia Chemicals Corporation, Company Disclosures, available at https://www.crownpvc.com.ph/investors/corporate_governance</p>	
--	-------------------------	---	--

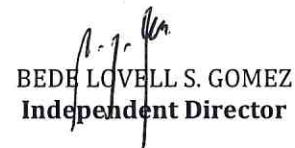
F:\data\CLIENTS\1338\CORP\I-ACGR 2021\Crown I-ACGR 2022.doc
ABKT\JCN\AMKL\RLG 1338-224

Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant, **CROWN ASIA CHEMICALS CORPORATION**, by the undersigned, thereunto duly authorized, in **PASIG CITY** on **MAY 27 2022**.

SIGNATURES



WALTER H. VILLANUEVA
President

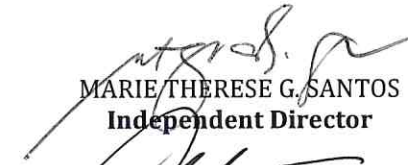


BEDE LOVELL S. GOMEZ
Independent Director

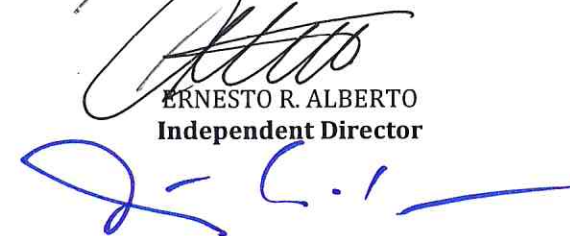


MARIE GRACE N. DALUPAN
Chief Compliance Officer

MAY 27 2022



MARIE THERESE G. SANTOS
Independent Director



ERNESTO R. ALBERTO
Independent Director



JASON C. NALUPTA
Corporate Secretary

SUBSCRIBED AND SWORN TO before me this this ____ day of _____ in **PASIG CITY**, affiants exhibiting to me their competent evidence of identity as follows:

NAME	COMPETENT PROOF OF IDENTITY
WALTER H. VILLANUEVA	TIN No. 103-075-172
BEDE LOVELL S. GOMEZ	TIN No. 165-940-061
MARIE GRACE N. DALUPAN	TIN No. 217-898-245
MARIE THERESE G. SANTOS	TIN No. 123-299-982
ERNESTO R. ALBERTO	TIN No. 106-968-471
JASON C. NALUPTA	TIN No. 908-541-534

Doc No. 16
Page No. 5
Book No. 17
Series of 2022.



YSABEL KATHRYN M. SANTOS
Notary Public for
Pasig City, San Juan, Taguig & Pateros
Appointment No. 231 (2019-2020)
(Commission Extended until 30 June 2022 per
SC Resolution dated 28 September 2021)
2704 East Tower, Tektite Towers
(Formerly Philippine Stock Exchange Centre),
Exchange Road, Ortigas Center, 1605 Pasig City
PTR No. 8131853 / 01.06.22 / Pasig
IBP LRN No. 016949 / 06.28.2019 / RSM
Roll of Attorneys No. 70409
ACLE No. VI-0017136 / 01 10.19



Philippine Chamber of Commerce and Industry

ANNEX "A-1"

CERTIFICATE

OF PARTICIPATION

This is to certify that

Walter H. Villanueva

President / Chairman

has participated in the

Corporate Governance Seminar

SEC Accreditation No. CG2020-02

held on 23 November 2021, 1:00 - 4:00 pm Via Zoom

Signed on the 23rd day of November 2021.

EDGARDO G. LACSON

Acting President

Director, Corporate Governance And Capital Market

RYAN PATRICK G. EVANGELISTA

Chair

PCCI Corporate Governance Committee



Philippine Chamber of Commerce and Industry

ANNEX "A-2"

CERTIFICATE

OF PARTICIPATION

This is to certify that

Tita P. Villanueva

SVP/CFO/Director

has participated in the

Corporate Governance Seminar
SEC Accreditation No. CG2020-02

held on 23 November 2021, 1:00 - 4:00 pm Via Zoom

Signed on the 23rd day of November 2021.

EDGARDO G. LACSON

Acting President

Director, Corporate Governance And Capital Market

RYAN PATRICK G. EVANGELISTA

Chair

PCCI Corporate Governance Committee



Philippine Chamber of Commerce and Industry

ANNEX "A-3"

CERTIFICATE

OF PARTICIPATION

This is to certify that

Nicasio T. Perez

VP Treasurer/Director

has participated in the

Corporate Governance Seminar
SEC Accreditation No. CG2020-02

held on 23 November 2021, 1:00 - 4:00 pm Via Zoom

Signed on the 23rd day of November 2021.

EDGARDO G. LACSON

Acting President

Director, Corporate Governance And Capital Market

RYAN PATRICK G. EVANGELISTA

Chair

PCCI Corporate Governance Committee



Philippine Chamber of Commerce and Industry

ANNEX "A-1"

CERTIFICATE

OF PARTICIPATION

This is to certify that

Eugene Villanueva

Director

has participated in the

Corporate Governance Seminar
SEC Accreditation No. CG2020-02

held on 23 November 2021, 1:00 - 4:00 pm Via Zoom

Signed on the 23rd day of November 2021.

EDGARDO G. LACSON

Acting President

Director, Corporate Governance And Capital Market

RYAN PATRICK G. EVANGELISTA

Chair

PCCI Corporate Governance Committee



Philippine Chamber of Commerce and Industry

ANNEX "A-5"

CERTIFICATE

OF PARTICIPATION

This is to certify that

Derrick P. Villanueva

GM Pipes Group/Director

has participated in the

Corporate Governance Seminar
SEC Accreditation No. CG2020-02

held on 23 November 2021, 1:00 - 4:00 pm Via Zoom

Signed on the 23rd day of November 2021.

EDGARDO G. LACSON

Acting President

Director, Corporate Governance And Capital Market

RYAN PATRICK G. EVANGELISTA

Chair

PCCI Corporate Governance Committee



Philippine Chamber of Commerce and Industry

ANNEX "A-6"

CERTIFICATE

OF PARTICIPATION

This is to certify that

Hans Joseph T. Perez

GM PPR/HDPE/Director

has participated in the

Corporate Governance Seminar
SEC Accreditation No. CG2020-02

held on 23 November 2021, 1:00 - 4:00 pm Via Zoom

Signed on the 23rd day of November 2021.

EDGARDO G. LACSON

Acting President

Director, Corporate Governance And Capital Market

RYAN PATRICK G. EVANGELISTA

Chair

PCCI Corporate Governance Committee



Philippine Chamber of Commerce and Industry

ANNEX "A-7"

CERTIFICATE

OF PARTICIPATION

This is to certify that

Bede Lovell S. Gomez

Independent Director

has participated in the

Corporate Governance Seminar
SEC Accreditation No. CG2020-02

held on 23 November 2021, 1:00 - 4:00 pm Via Zoom

Signed on the 23rd day of November 2021.

EDGARDO G. LACSON

Acting President

Director, Corporate Governance And Capital Market

RYAN PATRICK G. EVANGELISTA

Chair

PCCI Corporate Governance Committee



Philippine Chamber of Commerce and Industry

ANNEX "A-8"

CERTIFICATE

OF PARTICIPATION

This is to certify that

Marie Therese G. Santos

Independent Director

has participated in the

Corporate Governance Seminar

SEC Accreditation No. CG2020-02

held on 23 November 2021, 1:00 - 4:00 pm Via Zoom

Signed on the 23rd day of November 2021.

EDGARDO G. LACSON

Acting President

Director, Corporate Governance And Capital Market

RYAN PATRICK G. EVANGELISTA

Chair

PCCI Corporate Governance Committee



Philippine Chamber of Commerce and Industry

ANNEX "A-9"

CERTIFICATE

OF PARTICIPATION

This is to certify that

Marie Grace N. Dalupan

AVP – Finance/Compliance Officer

has participated in the

Corporate Governance Seminar
SEC Accreditation No. CG2020-02

held on 23 November 2021, 1:00 - 4:00 pm Via Zoom

Signed on the 23rd day of November 2021.

EDGARDO G. LACSON

Acting President

Director, Corporate Governance And Capital Market

RYAN PATRICK G. EVANGELISTA

Chair

PCCI Corporate Governance Committee



Risks, Opportunities, Assessment and
Management (ROAM), Inc.

ANNEX "A-10"

awards this

CERTIFICATE OF COMPLETION

to

Ernesto Alberto

for having completed the webinar on

CORPORATE GOVERNANCE

held on 22 October 2021 via Zoom Meeting

Benjamin I. Espiritu, Ph.D.
President

COVER SHEET

1	5	9	9	5	0				
---	---	---	---	---	---	--	--	--	--

SEC Registration Number

[illegible]

(Company's Full Name)

[illegible]

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

ANN MARGARET K. LORENZO

632-0905
Company Telephone Number

Month Day
 Fiscal Year

Month Day
Annual Meeting

Letter dated 08 October 2021
Re: Attendance in Corporate Governance Seminar

Form Type

--	--	--	--	--

Secondary License Type, if applicable

Department Requiring this Doc.

Amended Articles Number/Section

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 = pls. use black ink for scanning purposes



CROWN ASIA CHEMICALS CORPORATION

08 October 2021

SECURITIES AND EXCHANGE COMMISSION

Corporate Governance and Finance Department

North Wing Hall, Ground Floor,
Secretariat Building, PICC Complex,
Vicente Sotto Street, Pasay City

Attention: **Atty. Rachel Esther Gumbang-Remalante**
Director
Corporate Governance and Finance Department

Re: **Crown Asia Chemicals Corporation -**
Attendance in Corporate Governance Seminar

Madam:

In compliance with SEC Memorandum Circular No. 20, Series of 2013, please be advised that on 30 September 2021 the Corporation's Corporate Secretary, Mr. Jason C. Nalupta and Assistant Corporate Secretary, Ms. Ann Margaret K. Lorenzo, have attended the required training on corporate governance conducted by the Institute of Corporate Directors, a duly accredited training provider of the Commission.

Attached herewith are copies of the Certificates of Participation of the foregoing officers of the Corporation.

Thank you for your kind attention.

Very truly yours,


ANN MARGARET K. LORENZO
Assistant Corporate Secretary

F:\data\CLIENTS\1338\LT\SEC\Cert of Attendance corp gov seminar 2021 (JCN and AMKL).docx
ABKTUCN\AMKL\kim 1338-204



Institute of Corporate Directors

presents this

Certificate of Participation

to

Jason C. Nalupta

Belle Corporation

for having completed the online course

Advanced Corporate Governance Training

held on

September 30, 2021 | 1:00 PM - 5:00 PM
through ZOOM Meetings

Leonardo M. Berba
Chief Executive Officer



Institute of Corporate Directors

presents this

Certificate of Participation

to

Ann M.K. Lorenzo

Pacific Online Systems Corporation

for having completed the online course

Advanced Corporate Governance Training

held on

September 30, 2021 | 1:00 PM - 5:00 PM
through ZOOM Meetings

Leonardo M. Berba
Chief Executive Officer

OMNIBUS SECRETARY'S CERTIFICATE

ANN MARGARET K. LORENZO, of legal age, Filipino, with office address at 2704 East Tower, Philippine Stock Exchange Center, Exchange Road, Ortigas Center, Pasig City, Metro Manila, being the duly elected and qualified Assistant Corporate Secretary of **CROWN ASIA CHEMICALS CORPORATION** (the "Corporation"), a corporation organized and existing under the laws of the Philippines, with principal office at Km. 33 MacArthur Highway, Barangay Tuktukan, Guiguinto, Bulacan, under oath, does hereby certify that:

A. Board of Directors

- The following Directors of the Corporation were elected in the Annual Stockholders' Meeting held on 18 June 2021 to serve for one (1) year or until their successors have been elected:

NAME	VOTES RECEIVED	TYPE OF DIRECTORSHIP
1. Walter H. Villanueva	496,463,001	Executive Director
2. Eugene H. Lee Villanueva	496,463,001	Non-Executive Director
3. Tita P. Villanueva	496,463,001	Executive Director
4. Nicasio T. Perez	496,463,001	Executive Director
5. Derrick P. Villanueva	496,463,001	Executive Director
6. Hans Joseph T. Perez	496,463,001	Executive Director
7. Bede Lovell S. Gomez	496,463,001	Lead Independent Director
8. Marie Therese G. Santos	496,463,001	Independent Director
9. Ernesto R. Alberto	496,463,001	Independent Director
*Ms. Marie Therese G. Santos and Mr. Ernesto R. Alberto have served as Independent Director for seven (7) years while Mr. Bede Lovell S. Gomez has served as Independent Director for six (6) years.		

- The Board of the Directors is composed of four (4) Non-Executive Director, including three (3) Independent Directors.
- In 2021, the Board of Directors met seven (7) times and their attendance¹ in said meetings were as follows:

NAME OF DIRECTORS	DATE OF MEETING (2021)						
	FEB. 4	MAR. 2	MAY 7	JUNE 18	JUNE 29	AUG. 10	NOV. 9
WALTER H. VILLANUEVA	✓	✓	✓	✓	✓	✓	✓
EUGENE H. LEE VILLANUEVA	✓	✓	✓	✓	✓	✓	✓
TITA P. VILLANUEVA	✓	✓	✓	✓	✓	✓	✓
NICASIO T. PEREZ	✓	✓	✓	✓	✓	✓	✓
DERRICK P. VILLANUEVA	✓	✓	✓	✓	✓	✓	✓
HANS JOSEPH T. PEREZ*	✓	✓	✓	✓	✓	✓	✓
BEDE LOVELL S. GOMEZ	✓	✓	✓	✓	✓	✓	✓
MARIE THERESE G. SANTOS	✓	✓	✓	✓	✓	✓	✓
ERNESTO MARIA R. ALBERTO	✓	✓	✓	✓	✓	✓	✓

¹ (✓) for present and (-) for absent

4. Pursuant to the Manual on Corporate Governance, Notices of Board and Committee Meetings, as well as materials thereto, are distributed at least five (5) days prior to the scheduled meetings.
5. The Board of Directors regularly meets to oversee, develop, and review the business objectives and strategies of the Corporation. The Board actively oversees the business and strategic plans of the Corporation. In the Board and Committee meetings, the directors are participative and ask the necessary questions or seek clarifications and explanations on the matters discussed therein. The directors are further enjoined to act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Corporation.
6. The Board reviews the Corporation's business objectives and strategies, company policies, and processes on an annual basis. In 2021, the Vision & Mission Statements and Core Values of the Company were reviewed by the Corporate Governance Committee on 04 February 2021. In the review of the performance of the Board, the performance of the other board committees was reviewed as well.
7. The Board sets the tentative Schedule of Meetings for the meetings of the Board and Committee for the following year during the preceding year.

B. Appointment of Corporate Officers

8. The following officers were appointed in the organizational meeting of the Board of Directors that followed the Annual Stockholders' Meeting held on 18 June 2021:

Name	Position
WALTER H. VILLANUEVA	- Chairman/President/General Manager - PVC Roof Division/Chief Risk Officer
TITA P. VILLANUEVA	- Senior Vice President/Chief Financial Officer/Comptroller
NICASIO T. PEREZ	- Vice President - Treasurer
DERRICK P. VILLANUEVA	- General Manager - PVC Pipe Division
HANS JOSEPH T. PEREZ	- General Manager - PP-R/HDPE Pipe Division
MARIE GRACE N. DALUPAN	- Compliance Officer/Assistant Vice President - Finance
JASON C. NALUPTA	- Corporate Secretary/Chief Information Officer
ANN MARGARET K. LORENZO	- Assistant Corporate Secretary

Since 2018, Mr. Bede Lovell S. Gomez has been the Lead Independent Director. He was reappointed to the same non-executive position in the organizational meeting of the Board in 18 June 2021.

C. Audit Committee

9. In the organizational meeting of the Board of Directors following the Annual Stockholders' Meeting held on 18 June 2021, the following Directors were appointed to form the Audit Committee:

NAME	POSITION	TYPE OF DIRECTORSHIP
MARIE THERESE G. SANTOS	Chairman	Independent Director
ERNESTO R. ALBERTO	Member	Independent Director
BEDE LOVELL S. GOMEZ	Member	Independent Director
NICASIO T. PEREZ	Member	Executive Director
EUGENE H. LEE VILLANUEVA	Member	Non-Executive Director

10. In 2021, the Audit Committee convened four (4) times, and the attendance in said meetings were as follows:

NAME OF DIRECTORS	DATE OF MEETING (2021)			
	MAR. 02	MAY 07	AUG 10	NOV 10
MARIE THERESE G. SANTOS	✓	✓	✓	✓
ERNESTO R. ALBERTO	✓	✓	✓	✓
BEDE LOVELL S. GOMEZ	✓	✓	✓	✓
NICASIO T. PEREZ	✓	✓	✓	✓
EUGENE H. LEE VILLANUEVA	✓	✓	✓	✓

11. Mr. Allan Salvador is the Corporation's Internal Audit Department Manager. He regularly reported the Internal Audit's findings to the Audit Committee.

D. Corporate Governance Committee

12. In the organizational meeting of the Board of Directors following the Annual Stockholders' Meeting held on 18 June 2021, the following Directors were appointed to form the Corporate Governance Committee:

NAME	POSITION	TYPE OF DIRECTORSHIP
BEDE LOVELL S. GOMEZ	Chairman	Independent Director
ERNESTO R. ALBERTO	Member	Independent Director
MARIE THERESE G. SANTOS	Member	Independent Director
WALTER H. VILLANUEVA	Member	Executive Director
TITA P. VILLANUEVA	Member	Executive Director
DERRICK P. VILLANUEVA	Member	Executive Director

13. In 2021, the Corporate Governance Committee convened two (2) times and the attendance in said meetings were as follows:

NAME OF DIRECTORS	DATE OF MEETING (2021)	
	FEB. 04	MAY 07
BEDE LOVELL S. GOMEZ	✓	✓
ERNESTO MARIA R. ALBERTO	✓	✓
MARIE THERESE G. SANTOS	✓	✓
WALTER H. VILLANUEVA	✓	✓
TITA P. VILLANUEVA	✓	✓
DERRICK P. VILLANUEVA	✓	✓

14. The Corporate Governance Committee Charter was reviewed by the Committee during its meeting held on 07 May 2021.

E. Board Risk Oversight Committee

15. In the organizational meeting of the Board of Directors following the Annual Stockholders' Meeting held on 18 June 2021, the following Directors were appointed to form the Board Risk Oversight Committee:

NAME	POSITION	TYPE OF DIRECTORSHIP
ERNESTO R. ALBERTO	Chairman	Independent Director
MARIE THERESE G. SANTOS	Member	Independent Director
BEDE LOVELL S. GOMEZ	Member	Independent Director
WALTER H. VILLANUEVA	Member	Executive Director
HANS JOSEPH. T. PEREZ	Member	Executive Director
*Hans Joseph T. Perez was appointed for the first time to the Board Risk Oversight Committee on 18 June 2021		

16. In 2021, the Board Risk Oversight Committee convened four (4) times and the attendance in said meetings were as follows:

NAME OF DIRECTORS	DATE OF MEETING (2020)			
	MAR. 03	JUN. 29	NOV. 09	DEC. 14
ERNESTO MARIA R. ALBERTO	✓	✓	✓	✓
MARIE THERESE G. SANTOS	✓	✓	✓	✓
BEDE LOVELL S. GOMEZ	✓	✓	✓	✓
DERRICK P. VILLANUEVA	✓	✓	✓	✓
WALTER H. VILLANUEVA	✓	✓	✓	✓
HANS JOSEPH. T. PEREZ	✓	✓	✓	✓

17. The Risk Oversight Committee Charter was reviewed by the Committee during its meeting held on 03 March 2021.

F. Other Matters

18. The By-Laws of the Corporation do not contain any provision that may constrain the director's ability to vote independently;
19. There are no shareholders' agreements, voting trust agreements, confidentiality agreements, and other such agreements that may impact on the control, ownership, and strategic direction of the Corporation registered by any shareholder with the Corporate Secretary.
20. All members of the Board of Directors were present during the 2021 Annual Stockholders' Meeting held on 18 June 2021.
21. In 2021, the Board did not receive a request from the stockholders of the Corporation to call a Special Stockholders' Meeting.
22. The Board of Directors approved a proposed salary adjustment affecting Rank and File Employees, Supervisors, Managers and Executives to improve retention in the meeting of the Board of Directors held on 04 February 2021.

23. In the meeting of the Board of Directors held on 07 May 2021, the Board approved the declaration of dividends amounting to Two Hundred Twenty-Five Ten-Thousandths Centavos (₱0.0225) per share with record date of 25 May 2021 and payment date of 15 June 2021, pursuant to the Corporation's Dividend Policy.
24. The Corporate Governance Committee, a board sub-committee, discussed the results of the evaluation of the 2021 Management performance in its 04 February 2022 meeting.
25. The non-executive directors, presided over by Mr. Bede Lovell S. Gomez, the Lead Independent Director, had a meeting with the Corporation's external auditor and heads of the internal audit, compliance and risk functions, without any executive present on 09 November 2021.

MAY 27 2022

IN ATTESTATION OF THE ABOVE, this Certificate was signed this ____ day of May 2022 in Pasig City, Metro Manila.


ANN MARGARET K. LORENZO
Assistant Corporate Secretary

MAY 27 2022

SUBSCRIBED AND SWORN to before me this ____ day of May 2022 in Pasig City, Metro Manila, affiant exhibiting to me her Philippine Passport No. P9475373A issued on 09 November 2018 at DFA NCR East which expires on 08 November 2028 as competent evidence of her identity.

Doc. No. 15;
Page No. 4;
Book No. IX;
Series of 2022.


YSABEL KATHRYN M. SANTOS
Notary Public for
Pasig City, San Juan, Taguig & Pateros
Appointment No. 231 (2019-2020)
(Commission Extended until 30 June 2022 per
SC Resolution dated 28 September 2021)
2704 East Tower, Tektile Towers
(Formerly Philippine Stock Exchange Centre),
Exchange Road, Ortigas Center, 1605 Pasig City
PTR No. 8131853 / 01.06.22 / Pasig
IBP LRN No. 016949 / 06.28.2019 / RSM
Roll of Attorneys No. 70409
ACLE No. 16-0017126 / 01.10.19

CERTIFICATION

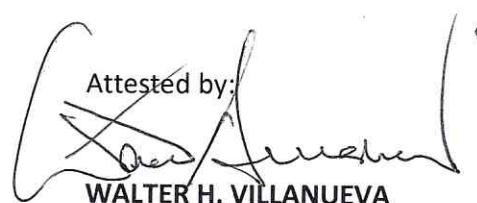
I, AARON A. LOPEZ, Human Resources Manager of Crown Asia Chemicals Corporation (the 'Company'), do certify:

1. That pursuant to the Code of Business Conduct and Ethics, the Human Resources Department of the Company implemented the following in 2021:
 - a. Onboarding seminar for new employees to orient them on the Company's the Company's Code of Business Conduct (the "Code");
 - b. Regular refresher training to remind all business units and departments in all levels across the organization to adhere to the Code; and
 - c. Regular assessment of the employees' performance which includes a criterion on observing the Company's Code.
2. That any alleged breach of the Code is investigated and violations are taken seriously and may result in a disciplinary action, up to and including termination of employment and possible legal action.
3. That the Company conducts annual performance evaluation of employees' performance, with corresponding merit adjustments.

Signed this ____ day of May 2022.


AARON A. LOPEZ
Human Resources Manager

Attested by:


WALTER H. VILLANUEVA
President

COVER SHEET

1	5	9	9	5	0					
---	---	---	---	---	---	--	--	--	--	--

S.E.C. Registration Number

[illegible]

C	O	R	P	O	R	A	T	I	O	N
---	---	---	---	---	---	---	---	---	---	---

[illegible]

(Company's Full Name)

KM	33	MC	ARTHUR	HIGHWAY	BO.
----	----	----	--------	---------	-----

T	U	K	T	U	K	A	N		G	U	I	G	U	I	N	T	O		B	U	L	C	A	N	.				
---	---	---	---	---	---	---	---	--	---	---	---	---	---	---	---	---	---	--	---	---	---	---	---	---	---	--	--	--	--

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

JASON C. NALUPTA

Contact Person

632-09-05

Company Telephone Number

1	2
---	---

3	1
---	---

Month Day Fiscal Year

--	--

--	--

Month Day Annual Meeting

REVISED MANUAL ON CORPORATE GOVERNANCE

FORM TYPE

--	--	--	--	--

Secondary License Type, If Applicable

--	--	--

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Downloaded from <http://ajph.org/> at University of California, San Diego on June 11, 2015

Domestic

--	--

Foreign

To be Accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

LCU

[illegible]

Document I.D.

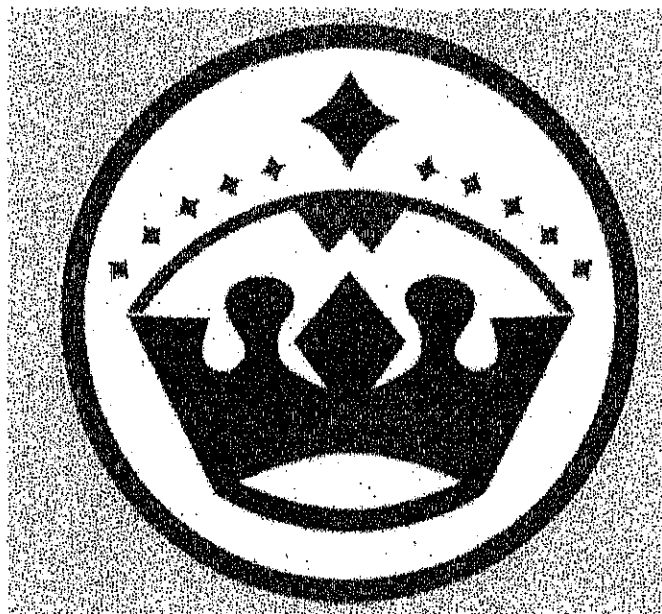
Cashier

Cashier

STAMPS

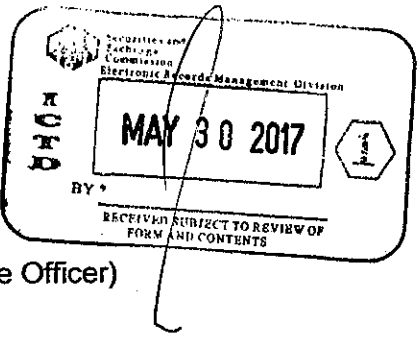
Remarks = pls. use black ink for scanning purposes

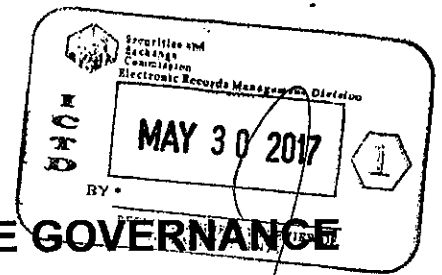
REVISED MANUAL ON CORPORATE GOVERNANCE



**CROWN ASIA CHEMICALS
CORPORATION**

Table of Contents

		<i>Page</i>
1	Objective	1
2	Rules of Interpretation	2
3	Compliance System Compliance Officer Plan of Compliance Board of Directors Board Committees The President (Chief Executive Officer) The Corporate Secretary External Auditor Internal Auditor Risk Management Officer	3
		
4	Communication Process	15
5	Training Process	15
6	Reportorial or Disclosure System of Company's Corporate Governance Policies	15
7	Shareholders' Benefit	17
8	Monitoring and Assessment	20
9	Penalties for Non-compliance with Manual	
10	Approval and Effectivity	21
11	Annexes Annex "A" Charter of the Board of Directors Annex "B" Audit Committee Charter Annex "C" Corporate Governance Committee Charter Annex "D" Board Risk Oversight Committee Charter Annex "E" Executive Committee Charter	22



REVISED MANUAL ON CORPORATE GOVERNANCE

CROWN ASIA CHEMICALS CORPORATION

CROWN ASIA CHEMICALS CORPORATION (the "Company" or "Corporation") promulgates this Revised Manual on Corporate Governance (the "Manual") which provides the framework of rules, systems and processes that govern the performance of the Board of Directors (the "Board") and Management of their respective duties and responsibilities to stockholders and other stakeholders which include, among others, its customers, employees, suppliers, financiers, government, and the community in which it operates.

The Board of Directors and Management, i.e. officers and staff, of the Company hereby commit themselves to the principles and best practices contained in this Manual, and acknowledge that the same may guide the attainment of the Company's goals.

In pursuit of transparency, accountability, fairness and integrity, this Revised Manual on Corporate Governance was approved and adopted by the Board of Directors on 18 May 2017.

1 OBJECTIVE

This Manual shall institutionalize the principles of good corporate governance in the entire organization.

The Board of Directors and Management, employees and shareholders, believe that corporate governance is an important and necessary component of sound business management and will therefore undertake to nurture and maintain awareness within the organization.

2 RULES OF INTERPRETATION

- A. All references to the masculine gender in the salient provisions of this Manual shall likewise cover the feminine gender.
- B. All doubts or questions that may arise in the interpretation of application of this Code shall be resolved in favor of promoting transparency, accountability and fairness to the stockholders, and other stakeholders of the Corporation.

3 COMPLIANCE SYSTEM

3.1 Compliance Officer

3.1.1 To ensure adherence to corporate principles and best practices, the Board of Directors shall appoint a Compliance Officer.

3.1.2 To the extent allowed by the Company's resources, and subject to the availability of personnel suitable for the position, the Compliance Officer:

- a. Shall be a separate individual from the Corporate Secretary.
- b. Shall have adequate stature and authority in the Company, preferably, with the rank of Senior Vice President or an equivalent position.
- c. Shall not be a member of the Board of Directors.
- d. Shall be required to attend a training on corporate governance annually.

3.1.3 The Compliance Officer shall perform the following duties:

- a. Monitor compliance with the provisions and requirements of this Manual and the rules and regulations of regulatory agencies and, if any violations are found, report the matter to the Board and recommend imposition of appropriate disciplinary action on the responsible parties and the adoption of measures to prevent a repetition of the violation.
- b. Appear before the Securities and Exchange Commission upon summons on matters relative to corporate governance that need to be clarified.
- c. Determine violations of the Manual and recommend the appropriate penalty for violation thereof for further review and approval of the Board.
- d. After the end of each year, issue a certification or attest on the extent of the Corporation's compliance with this Manual for the completed year, explaining the reasons for the deviation from the same.
- e. Identify, monitor and control compliance risks.

3.1.4 The appointment of the compliance officer shall be immediately disclosed to the Securities and Exchange Commission on SEC Form 17-C. All correspondence relative to his functions as such shall be addressed to the said Officer.

3.2 Plan of Compliance

3.2.1 Board of Directors

The Board of Directors shall be composed of such number of Directors as shall be provided in the Articles of Incorporation, duly elected by the stockholders entitled to vote in accordance with the By-Laws, the Corporation Code and the Securities Regulation Code.

The Board shall be composed of directors with a collective working knowledge, experience or expertise that is relevant to the Company's industry.

The Board shall ensure that it has an appropriate mix of competence and expertise, and that its members remain qualified for their positions individually and collectively, to enable it to fulfill its roles and responsibilities and respond to the needs of the organization based on the evolving business environments and strategic direction.

The directors shall be elected annually by the stockholders at the annual meeting and shall hold office until their successors are elected and qualified, unless removed from office as provided by law. If any vacancy shall occur among the directors by death or from any other cause, such vacancy may be filled by vote of the majority of the directors constituting a quorum at any directors' meeting. The remaining directors shall continue to act, but if at any time their number be reduced to less than a majority, the vacancies shall be filled by the stockholders at a special meeting called for the purpose.

Directors may be removed and the vacancies so caused shall be filled in a manner as prescribed by law.

The Board shall have at least three (3) Independent Directors qualified as such in accordance with the relevant provisions of the Securities Regulation Code and other regulations of the Securities and Exchange Commission.

The Charter of the Board of Directors is attached as **Annex "A"** hereof.

3.2.1.1. General Responsibility of the Board

Compliance with the principles of good corporate governance shall start with the Board of Directors.

It shall be the Board's responsibility to foster the long-term success of the Corporation and secure its sustained competitiveness in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of the Corporation, its shareholders and other stakeholders. The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities.

The Board shall formulate the Corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor management's performance.

3.2.1.2. Specific Duties and Functions of the Board

To insure a high standard of best practice for the Corporation, its stockholders and other stakeholders, the Board shall:

- a. Install a process of selection to ensure a mix of competent directors and officers.
- b. Review, at intervals deemed appropriate for the Corporation's purpose, its vision and mission and strategies to carry out its objectives.
- c. Ensure to the best of its ability that the Corporation complies with all relevant laws, regulations and codes of best business practices;
- d. Identify the Corporation's stakeholders in the community in which it operates or are directly affected by its operations and formulate a clear policy of accurate, timely and effective communication with them.
- e. Review at appropriate intervals the company's list of stakeholders, its manner and frequency of communicating with them, appropriate to the size of the Company, its number of shareholders, the complexity and variability of its operations, to insure the optimum system of informing them of corporate developments consistent with the Company's financial capability.

- f. Adopt a system of internal checks and balances;
- g. Identify key risk areas and key performance indicators and monitor these factors with due diligence;
- h. Properly discharge Board functions by meeting regularly. Independent views during Board meetings shall continue to be given due consideration. The minutes of all meetings shall be duly recorded to the degree appropriate; and
- i. Continue to keep Board actions within the powers of the institution as prescribed in the Articles of Incorporation, By-Laws, and existing laws, rules and regulations.

3.2.1.3. Duties and Responsibilities of a Director

A director's office is one of trust and confidence. He shall act in a manner characterized by transparency, accountability and fairness. He should also exercise leadership, prudence and integrity in directing the Corporation towards sustained progress.

A director shall have the following duties and responsibilities:

- To conduct fair business transactions with the Corporation and to ensure that personal interest does not (bias Board decisions) conflict with the interests of the Corporation;

The basic principle to be observed is that a director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process.

A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the Corporation, or stands to acquire or gain financial advantage at the expense of the Corporation.

- To devote time and attention necessary to properly (discharge) and effectively perform his duties and responsibilities;

A director should devote sufficient time to familiarize himself with the Corporation's business. He should be constantly aware of and knowledgeable with the Corporation's operations to enable him to meaningfully contribute to the Board's work. He should attend and actively participate in Board and committee meetings, review committee materials and, if called for, ask questions or seek explanation.

- To act judiciously;

Before deciding on any matter brought before the Board, a director should carefully evaluate the issues and, if necessary, make inquiries and request clarification.

- To exercise independent judgment;

A director should view each problem or situation objectively. If a disagreement with other directors arises, he should carefully evaluate and explain his position. He should not be afraid to take an unpopular position. Corollarily, he should support plans and ideas that he thinks are beneficial to the Corporation.

- To have a working knowledge of the statutory and regulatory requirements affecting the Corporation, including the contents of its Articles of Incorporation and By-Laws, the requirements of the Commission, and where applicable, the requirements of other regulatory agencies.

A director should also keep himself abreast with industry developments and business trends in order to promote the Corporation's competitiveness.

- To observe confidentiality;

A director should keep secure and confidential all non-public information he may acquire or learn by reason of his position as director. He should not reveal confidential information to unauthorized persons without the authority of the Board.

- To ensure the continuing soundness, effectiveness and adequacy of the Corporation's control environment.

3.2.2 Board Committees

To aid in complying with the principles of good corporate governance, the Board shall constitute the following Committees: Audit Committee, Corporate Governance Committee, Board Risk Oversight Committee, and Executive Committee. The Board may form other committees as it may deem appropriate.

The Board shall appoint the members and chairman (from among the members) of each Board Committee following the annual meeting of stockholders at which the directors are elected. In case of any vacancy in the Board Committee, the Board shall appoint a replacement who will fill the vacancy at any meeting of the Board subject to the provision of its Committee Charters.

Each Board Committee shall have a Charter which shall define and govern, among other matters, its purposes, composition, membership qualifications and disqualifications, duties and responsibilities, conduct of meetings, and procedures for escalation to the Board of decisions of such Board Committee.

3.2.2.1 Audit Committee

The Audit Committee shall be composed of at least three (3) appropriately qualified Non-Executive members of the Board, majority of whom shall be Independent Directors.

The Chairman of the Audit Committee should be an Independent Director, and should not serve as Chairman of the Board or of any of the other board committees.

All of the members of the Audit Committee shall have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing, and finance.

The Charter of the Audit Committee is attached as Annex "B" hereof.

3.2.2.2 Corporate Governance Committee

The Corporate Governance Committee shall be composed of at least three (3) members of the Board.

At least three (3) members of the Corporate Governance Committee, including the Chairman thereof, shall be Independent Directors.

The Charter of the Corporate Governance Committee is attached herewith as **Annex "C"**.

3.2.2.3 Board Risk Oversight Committee

The Board Risk Oversight Committee shall be composed of at least three (3) members of the Board, majority of whom shall be Independent Directors.

The Chairman of the Board Risk Oversight Committee should be an Independent Director, and should not serve as Chairman of the Board or of any of the other board committees.

At least one (1) member of the Board Risk Oversight Committee must have relevant thorough knowledge and experience on risk and risk management.

The Charter of the Board Risk Oversight Committee is attached herewith as **Annex "D"**.

3.2.2.4 Executive Committee

The Executive Committee shall be composed of at least three (3) members of the Board. The Chairman of the Board shall be the Chair of the Committee. The other members of the Committee shall be appointed annually by the Board.

The Executive Committee shall have the power to act on such specific matters within the competence of the Board, as may be delegated to it by the Board, except with respect to: (1) the approval of any action for which shareholders approval is also required; (2) the filling of vacancies in the Board; (3) the amendment or repeal of By-laws or the adoption of new By-laws; (4) the amendment or repealable; and (5) a distribution of cash dividends to the shareholders, among others.

The Charter of the Executive Committee is attached as **Annex "E"** hereof.

3.2.3 The President (Chief Executive Officer)

3.2.3.1 The positions of Chairman of the Board and President (Chief Executive Officer) should be held by separate individuals and each should have clearly defined responsibilities.

3.2.3.2 The President (Chief Executive Officer) has the

following roles and responsibilities, among others:

- a. Determine the Company's strategic direction and formulate and implement its strategic plan on the direction of the business.
- b. Communicate and implement the Company's vision, mission, values, and overall strategy; and promote any organization or stakeholder change in relation to the same.
- c. Oversee the operations of the Company and manage human and financial resources in accordance with the strategic plan.
- d. Has a good working knowledge of the Company's industry and market and keeps up-to-date with its core business purpose.
- e. Direct, evaluate, and guide the work of the key officers of the Company.
- f. Manage the Company's resources prudently and ensure a proper balance of the same.
- g. Provide the Board with timely information, and interface between the Board and the employees.
- h. Build the corporate culture and motivates the employees of the Company.
- i. Serve as the link between internal operations and external stakeholders.

3.2.4 The Corporate Secretary

3.2.4.1 The Corporate Secretary is an officer of the Company. As such, a high level of competence and dedication to duty is expected of him. He must be loyal to the mission, vision and objectives of the Company.

3.2.4.2 The Corporate Secretary shall be a Filipino citizen and a resident of the Philippines.

3.2.4.3 Subject to the Company's requirements, as well as the availability of resources and suitable personnel, the Corporate Secretary shall be a separate individual from the Compliance

Officer.

3.2.4.4 The Corporate Secretary shall not be a member of the Board.

3.2.4.5 Considering his varied functions and duties, he must possess some level of competence not only in legal matters but also in other areas deemed necessary for him to perform the tasks assigned to him. He must possess appropriate administrative, interpersonal and legal skills, be aware of the laws, rules and regulations necessary in the performance of their duties or responsibilities. He must also have a working knowledge of the operations of the Company.

3.2.4.6 Duties and Responsibilities

The Corporate Secretary shall have the following duties and responsibilities:

- a. Assist the Board and the board committees in the conduct of their meetings, including preparing an annual schedule of Board and committee meetings and the annual board calendar, and assisting the respective chairpersons of the Board and its committees to set agendas for those meetings.
- b. Safe keep and preserve the integrity of the minutes of the meetings of the Board and its committees, as well as other official records of the Company.
- c. Keep abreast on relevant laws, regulations, all governance issuances, relevant industry developments and operations of the Company, and advise the Board and the Chairman on all relevant issues as they arise.
- d. Work fairly and objectively with the Board, Management and stockholders; and contribute to the flow of information between the Board and Management, the Board and its committees, and the Board and its stakeholders, including shareholders.
- e. Advise on the establishment of board committees and their terms of reference.
- f. Inform members of the Board, in accordance with the By-Laws, of the agenda of their meetings at least five working days in advance; and ensure that the members have before

them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval.

- g. Attend all Board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent him/her from doing so.
- h. Ensure that all Board procedures, rules and regulations are strictly followed by the members.
- i. Perform required administrative functions.
- j. Oversee the drafting of the By-Laws and ensure that they conform with regulatory requirements.
- k. Perform such other duties and responsibilities as may be provided by the Commission, including, but not limited to, the Submission to the Commission, at the end of every fiscal year, an annual certification as to the attendance of the directors during Board meetings.
- l. Attend a training on corporate governance annually.

3.2.5 External Auditor

3.2.5.1 An external auditor shall enable an environment of good corporate governance as reflected in the financial records and reports of the Company. The external auditor shall be selected and appointed by the stockholders upon recommendation of the Audit Committee from the pool of duly accredited independent auditor by the SEC.

3.2.5.2 The reasons for the resignation, dismissal or cessation from service and the date thereof of an external auditor shall be reported in the Company's annual and current reports. Said report shall include a discussion of any disagreement with said former external auditor on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.

3.2.5.3 The external auditor or the lead partner thereof primarily responsible for the audit of the Company or the review thereof shall be rotated or changed at least one every five (5) years.

3.2.5.4 Duties and Responsibilities

- The external auditor shall enable an environment of sound corporate governance as reflected in the financial records and reports of the Company. The external auditor shall undertake an independent audit and provide an objective assurance on the matter by which the Company's financial statements have been prepared and presented.
- If an external auditor believes that the statements made in the Company's annual report, information statement or proxy statement filed during his engagement is incorrect or incomplete, he shall present his views in said reports.
- The external auditor of the Company shall not at the same time provide the services of an internal auditor to the same client. The Corporation shall ensure that other non-audit work shall not be in conflict with the functions of the external auditor or shall not pose a threat to his independence. "Non-audit work" refers to other services offered by the external auditor to the Company that are not directly related and relevant to its statutory audit functions, such as payroll, bookkeeping, reconciliation, computer project management, data processing, or information technology outsourcing services and other services, that may compromise the independence and objectivity of the external auditor.

3.2.6 Internal Auditor

3.2.6.1 The Corporation shall have in place an independent internal audit function which shall be performed by an Internal Auditor or a group of Internal Auditors, through which its Board, senior management, and stockholders shall be provided with reasonable assurance that its key organizational and procedural controls are effective, appropriate, and complied with.

3.2.6.2 An effective system of internal control that will ensure the integrity of the financial reports and protection of the assets of the corporation should be maintained for the benefit of all stockholders and other stakeholders.

3.2.6.3 The Internal Auditor shall report to the Audit Committee and the CEO.

3.2.6.4 The minimum internal control mechanisms for management's operational responsibility shall center on the CEO, being ultimately accountable for the Corporation's organizational and procedural controls.

3.2.6.5 The scope and particulars of a system of effective organizational and procedural controls shall be based on the following factors: the nature and complexity of business; the volume, size and complexity of transactions; the degree of risk; the degree of centralization and delegation of authority; the extent and effectiveness of information technology; and the extent of regulatory compliance.

3.2.7 Risk Management Officer (Chief Risk Officer)

3.2.7.1 The Company shall designate a Risk Management Officer (Chief Risk Officer) who shall implement policies on risk management and coordinate with the Internal Auditor in the maintenance of effective and efficient internal control system.

3.2.7.2 The Risk Management Officer shall identify and evaluate the significant risks faced by the Company for consideration by the Board of Directors through the Board Risk Oversight Committee by: (a) identifying and describing the potential risks; (b) ranking each risks according to probability and impact; (c) determining the type of control measures required; (d) assessing the residual risk after implementation of control measures; (e) allocating an owner to the residual risk; (f) communicating the results and (g) monitoring, reviewing and communicating at regular defined intervals.

3.2.7.3 Provide adequate information on timely manner to the Board Risk Oversight Committee on the status of risks and control especially when key risk indicators are emerging and be closely monitored on a regular basis.

3.2.7.4 Undertake together with the internal auditor an annual review of effectiveness of system of internal control and provide a report to the Board Risk Oversight Committee.

3.2.7.5 Liaise with all subsidiaries and business units within the group to ensure risks facing the group are identified and addresses in accordance with Company's policy or procedure.

3.2.7.6 The Risk Management Officer shall report to the Board Risk Oversight Committee and the CEO.

4 COMMUNICATION PROCESS

4.1. This Manual shall be available for inspection by any stockholder of the Corporation at the Company's head offices during regular office hours on business days subject to such express limitations provided by the Corporation Code and other relevant laws, circulars, rules and regulations.

4.2. All directors, executives, division and department heads are tasked to ensure the thorough dissemination of the contents of this Manual to all employees and related third parties and to likewise enjoin continuing compliance.

4.3. An adequate number of printed copies of this Manual must be reproduced with a minimum of at least one (1) hard copy of the Manual per operating division.

5 TRAINING PROCESS

5.1. If necessary, funds shall be allocated by the appropriate officer for the purpose of conducting an orientation program or workshop to improve the understanding of and fully implement this Manual.

5.2. A director shall, before assuming as such, be required to attend a seminar on corporate governance which shall be conducted by a duly recognized private or government institute duly accredited by the Securities and Exchange Commission (SEC). Those directors who assumed office prior to the issuance of this manual shall comply with this requirement if they are to be considered for reelection.

5.3 All key officers and members of the Board are enjoined or as may be required by the Securities and Exchange Commission (SEC), to attend, at least once a year, a program on Corporate Governance conducted by training providers that are duly accredited by the Commission.

6 REPORTORIAL DISCLOSURE SYSTEM OF COMPANY'S CORPORATE GOVERNANCE POLICIES

6.1. The reports or disclosures required under this Manual shall be prepared and submitted to the Commission by the responsible Committee or officer through the Corporation's Compliance Officer;

6.2. All material information about the Corporation which could adversely affect its viability or the interest of its stockholders and other stakeholders, i.e., anything that could potentially affect share price, shall be publicly disclosed. Such information shall include earnings results, acquisition or disposal of assets, if the amount of such acquisition or disposal shall involve a significant effect on the financial structure of the Company or is not be in the normal course of business. Board changes, related party transactions, material changes in the share holdings of directors such as to affect management and or ownership control of the business must be disclosed.

6.3. Other information that shall always be disclosed includes remuneration (including stock options) of all directors and senior management. Major changes in corporate strategy, and off balance sheet transactions, the size of which has a significant effect on the business should always be disclosed.

6.4. In compliance with Section 4.2 of the Revised Disclosure Rules of the Philippine Stock Exchange (PSE) entitled "Selective Disclosure of Material Information", directors, officers and staff shall likewise observe the following:

"An Issuer is prohibited to communicate material information non-public information about the Issuer to any person, unless the Issuer is ready to simultaneously disclose the material non-public information to the Exchange. This rule does not apply if the disclosure is made to:

- a. A person who is bound by duty to maintain trust and confidence to the Issuer such as but not limited to its auditors, legal counsels, investment bankers, financial advisers; and
- b. A person who agrees in writing to maintain in strict confidence the disclosed material information and will not take advantage of it for his personal gain.

The issuer shall establish and implement internal controls that will ensure that its officers, staff and any other person who is privy to the material non-public information shall comply with the requirement of this rule.

The Company being a listed company, if selectively disclosing material non-public information to securities analysts, institutional investors or other third parties who do not fall under letters a and b above, ahead of the general public, shall be considered as violating this exchange rule.

6.5. All disclosed information shall be released via the approved stock exchange procedure for company announcements as well as through the annual report.

6.6 The Board shall therefore commit at all times to full disclosure of material information dealings. It shall cause the filing of all required

information through the appropriate Exchange mechanisms for listed companies and submissions to the Commission for the interest of its stockholders and other stakeholders.

7 SHAREHOLDER'S BENEFIT

The company recognizes that good corporate governance should be visible to its shareholders. Therefore the following provisions are issued for the guidance of all internal and external parties concerned, as governance covenant between the Company and its shareholders.

7.1 INVESTORS' RIGHTS AND PROTECTION

7.1.1. Rights of Investors/Minority Interests

The Board shall be committed to respect the following rights of the stockholders as provided for in the Corporation Code as well as the Articles of Incorporation, By-laws and all resolutions adopted by the Board:

7.1.2. Voting Right

7.1.2.1. Shareholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code.

7.1.2.2. Cumulative voting shall be used in the election of directors.

7.1.2.3. A director shall not be removed without cause if it will deny minority shareholders representation in the Board.

7.1.3. Preemptive Right

All stockholders shall have preemptive rights, unless the same is denied in the articles of incorporation or an amendment thereto. They shall have the right to subscribe to increases in the capital stock of the Corporation. The Articles of Incorporation shall lay down the specific rights and powers of shareholders with respect to the particular shares they hold, all of which shall be protected by law so long as they shall not be in conflict with the Corporation Code.

7.1.4. Power of Inspection

All shareholders shall be allowed to inspect corporate books and records including minutes of Board meetings and stock registries in accordance with the Corporation Code and shall be furnished with annual reports, including financial statements, without cost or restrictions.

7.1.5. Right to Information

7.1.5.1. The Shareholders shall be provided, upon reasonable request, with periodic reports which disclose professional information about the directors and officers and certain other matters such as their holdings of the Company's shares, dealings with the Company, relationships among directors and key officers, and the aggregate compensation of directors and officers. Such information is found in the annual report.

7.1.5.2. The minority shareholders shall have reasonable access to information relating to matters for which the management is accountable for, provided that such information shall not include details of corporate strategy, proprietary formulations, or similar matters, which if revealed to competitors would cause the Company harm.

Such requests for information shall be addressed to the Chairman of the Board who is required to refer such requests to the management at the next Board meeting. The Board shall decide on whether or not to grant the request. If, in the opinion of the Board, it considers the request for information as unreasonable or may have adverse effect on the Corporation, it shall so inform the requesting shareholder, copy furnished the SEC.

Minority shareholders shall also have the right to request certain items to be placed on the agenda of the shareholders meeting. Such requests shall be addressed to the Chairman who shall agenda the request for the next board meeting. As in the request for information, the Board shall act on the request and if it does not grant the same, it shall inform the shareholder and the SEC of its action.

Any shareholder not satisfied with this action may bring this matter to the attention of the shareholders under other matters during the annual meeting, in which case the final decision on whether or not to deliberate on the matter will be exercised by the shareholders.

7.1.6. Right to Dividends

7.1.6.1. Shareholders shall have the right to receive dividends subject to the discretion of the Board.

7.1.6.2. The Company shall be compelled to declare dividends when its retained earnings shall be in excess of 100% of its paid-in capital stock, except: a) when justified by definite corporate expansion projects or programs approved by the Board or b) when the corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or c) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the Corporation, such as when there is a need for special reserve for probable contingencies.

7.1.7. Appraisal Right

The shareholders' shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 82 of the Corporation Code of the Philippines, under any of the following circumstances:

- o In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- o In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code; and
- o In case of merger or consolidation.

7.1.8. It shall be the duty of the Board (directors) to promote shareholder rights, remove impediments to the exercise of shareholders' rights and allow possibilities to seek redress for violation of their rights as such in accordance with applicable laws.

The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the Company. They shall encourage the exercise of shareholders' voting rights and the solution of collective action problems through appropriate mechanisms. Stockholders should be encouraged to personally attend such

meetings and they should be apprised ahead of time of their right to appoint a proxy in case they could not personally attend such meeting. The exercise of that right should not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor, subject to the requirements of applicable laws, regulations and the By-laws.

The Board shall be instrumental in removing excessive or unnecessary costs and other administrative or practical impediments to shareholders' participation in meetings and/or voting in person or by proxy. Relevant and timely information should be made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval. The directors shall pave the way for the electronic filing and distribution of shareholder information necessary to make informed decisions subject to legal constraints, and subject to the financial capability of the corporation.

8 MONITORING AND ASSESSMENT

8.1. Each Committee shall report regularly to the Board of Directors.

8.2. The Compliance Officer shall establish an evaluation system to determine and measure compliance with this Manual. Any violation thereof shall subject the responsible officer or employee to the penalty provided under Part 9 of this Manual.

8.3. The establishment of such evaluation system, including the features thereof, shall be disclosed in the Company's annual report (SEC Form 17-A) or in such form of report that is applicable to the Corporation. The adoption of such performance evaluation system must be covered by a Board approval.

8.4. This Manual shall be subject to yearly review. The frequency of review as well as amendment of its provisions is the prerogative of the Board, subject to applicable rules and regulations of the PSE, the SEC, as well as pertinent provisions of law.

8.5. All business processes and practices being performed within any department or business unit of the Corporation that are not consistent with any portion of this manual shall be revoked unless upgraded to the compliant extent.

9 PENALTIES FOR NONCOMPLIANCE WITH THE MANUAL

9.1. To strictly observe and implement the provisions of this Manual, the following penalties shall be imposed, after notice and hearing, on the Company's directors, officers, staff, subsidiaries and affiliates and their

respective directors, officers and staff in case of violation of any of the provision of this Manual:

- o In case of **first violation**, the subject person shall be reprimanded.
- o Suspension from office shall be imposed in case of **second violation** . The duration of the suspension shall depend on the gravity of the violation.
- o **For third violation**, the maximum penalty of removal from office shall be imposed.

9.2. The commission of a third violation of this Manual by any member of the board of the Company or its subsidiaries and affiliates shall be a sufficient cause for removal from directorship.

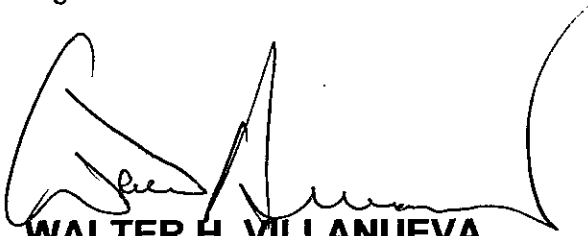
9.3. The Compliance Officer shall be responsible for determining violations through notice and hearing and shall recommend to the Chairman of the Board the penalty for such violation, for further review and approval of the Board.

10 APPROVAL AND EFFECTIVITY

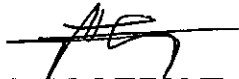
10.1 This Revised Manual on Corporate Governance has been approved and adopted by the Board of Directors on __ May 2017 and shall take effect immediately.

Amendments to comply with the regulatory issuances of the Securities and Exchange Commission (SEC) shall be deemed adopted and effective upon the effectivity of the regulatory issuance.

Signed:

A handwritten signature in black ink, appearing to read 'Walter H. Villanueva', with a large, sweeping flourish at the end.

WALTER H. VILLANUEVA
Chairman

A handwritten signature in black ink, appearing to read 'Hans Joseph T. Perez', with a horizontal line drawn through the middle of the signature.

HANS JOSEPH T. PEREZ
Compliance Officer

ANNEX "A"

CHARTER OF THE BOARD OF DIRECTORS

I. Purpose

Compliance with the principles of good corporate governance shall start with the Board. It is the Board's responsibility 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 best interests of its stockholders and other stakeholders. The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities to ensure a high standard of best practice for the Corporation, its stockholders and other stakeholders.

II. Membership

The Board of Directors shall be composed of such number of Directors as shall be provided in the Articles of Incorporation, duly elected by the stockholders entitled to vote in accordance with the By-Laws, the Corporation Code and the Securities Regulation Code.

The Board shall have at least three (3) Independent Directors qualified as such in accordance with the relevant provisions of the Securities Regulation Code and other regulations of the Securities and Exchange Commission.

III. Policies Relating to the Board

a. Board Diversity Policy

The Company shall promote and observe a policy on diversity in the composition of its Board of Directors.

Diversity in age, gender, ethnicity, experience, field expertise, and personal qualities shall be considered by the Board as it installs a process of selection to ensure a mix of competent directors and key officers.

b. Policy on Multiple Board Seats

A director shall exercise due discretion in accepting and holding directorships outside of the Company. A director may hold directorships outside of the Corporation provided that these positions do not retract from the director's capacity to diligently perform his duties as a director of the Corporation.

However, as a matter of policy, the Non-Executive members of the Board of Directors should concurrently serve as directors only to a maximum of five (5) publicly-listed companies to ensure that they have sufficient time to fully prepare for

meetings, challenge Management's proposals/views, and oversee the long-term strategy of the Company.

c. Term Limits for Independent Directors

The Board's Independent Directors shall serve for a maximum cumulative term of nine (9) years, after which, the Independent Director shall be perpetually barred from re-election as such in the Company. He may, however, continue to qualify for nomination and election as a non-independent director.

In instances where the Company will want to retain an Independent Director who has served for nine years, the Board shall provide meritorious justification/s and seek shareholders' approval during the annual meeting of the Company's shareholders.

d. Access to Information

To enable the Board to properly fulfill their duties and responsibilities, management should provide directors with complete and timely information about the matters in the agenda of the meetings. Directors should be given independent access to management and the Corporate Secretary, as well as to independent professional advice.

IV. The Chairman of the Board of Directors

The Board should be headed by a competent and qualified Chairman.

The roles and responsibilities of the Chairman include, among others, the following:

- a. Make certain that the meeting agenda focuses on strategic matters, including the overall risk appetite of the Company, considering the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations.
- b. Guarantee that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions.
- c. Facilitate discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors.
- d. Ensure that the Board sufficiently challenges and inquires on reports submitted and representations made by Management.
- e. Assure the availability of proper orientation for first-time directors and continuing training opportunities for all directors.

- f. Make sure that performance of the Board is evaluated at least once a year and discussed/followed up on.

To the extent that the operations of the Company shall allow, the roles of the Chairman and the Chief Executive Officer shall be separate to foster an appropriate balance of power, increased accountability, and better capacity for independent decision-making by the Board. A clear delineation of functions should be made between the Chairman and the Chief Executive Officer upon their election.

V. Meetings

- a. The directors should attend and actively participate in all meetings of the Board in person or through tele-/video-conferencing conducted in accordance with the rules and regulations of the Securities and Exchange Commission; except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent them from doing so. In Board meetings, the director should review meeting materials and if called for, ask the necessary questions or seek clarifications and explanations.
- b. The Board may, to promote transparency, require the presence of at least one (1) Independent Director in all of its meetings. However, the absence of an Independent Director shall not affect the quorum requirements if he is duly notified of the meeting but notwithstanding such notice fails to attend.
- c. The Board of Directors shall meet at least six (6) times a year. Board meetings shall be scheduled in advance before the start of the year.
- d. Items to be discussed during the board meeting shall be made available to each director at least five (5) days in advance. In emergency circumstances, however, the meeting may be called on a shorter notice.
- e. Non-executive Directors, headed by the Lead Independent Director, shall meet periodically with the External Auditor and the Head of Internal Audit, without the presence of Executive Directors and key officers.
- f. The presence of 2/3 of the directors is required when determining the quorum of the meeting.

VI. Authority and Responsibilities of the Board of Directors

To ensure a high standard of best practice for the Company, and to promote and protect the interest of the Company, its stockholders and its stakeholders, the Board shall conduct itself with honesty and integrity in the performance, among others, the following dues and responsibilities:

- a. Install a process of selection to ensure a mix of competent directors and officers, regardless of age, gender, race and religion.

- b. Set and regularly review the strategic objectives and the Company's vision and mission, determine investment policy, agree on performance criteria and delegate to management the detailed planning of implementation of that policy, in accordance with appropriate risk parameters.
- c. Determine and oversee the implementation of the strategies and plans, review the operation and financial performance of the Company and to consider matters specifically reserved for its approval.
- d. Ensure and adopt an effective succession planning program for directors, key officers and Management to ensure growth and a continued increase in the shareholders' value. This should include adopting a policy on the retirement age for directors and key officers as part of management succession and to promote dynamism in the Company.
- e. Ensure that the Company complies with all relevant laws, regulations and codes of best business practices, and achievement against objectives, by holding Management accountable for its activity through the measurement and control of operations by regular reports to the Board, including monthly performance reporting and budget updates.
- f. Identify the Company's major and other stakeholders and formulate a clear policy on communicating or relation with them through an effective investor relations program.

The Company shall conduct regular media and analysts' briefings to ensure the timely and accurate dissemination of public, material, and relevant information to its shareholders and other investors.

- g. Identify the Company's stakeholders in the community in which it operates or are directly affected by its operations and formulate a clear policy of accurate, timely, and effective communication with them.
- h. Adopt a system of internal checks and balances.
- i. Identify and monitor with due diligence key risk areas and key performance indicators, and manage the same especially those categorized as having high impact with high probability of occurrence.
- j. Properly discharge Board functions by meeting regularly. Independent views during Board meetings shall be given due consideration and all such meetings shall be duly minuted.
- k. Keep Board authority within the powers of the institution as prescribed in the Articles of Incorporation, By-Laws and in existing laws, rules and regulations.

- l. Formulate and implement policies to ensure the integrity of related party transactions between and among the company and its related companies, business associates, major stockholders, officers, directors and their spouses, children, dependent siblings and parents, and of interlocking director relationships.
- m. Establish and maintain an alternative dispute resolution system to settle conflicts between the Corporation and its stockholders or other third parties, including regulatory authorities.
- n. Align the remuneration of key officers and board members with the long-term interests of the Company. In doing so, it should formulate and adopt a policy specifying the relationship between remuneration and performance.

The following, among others, can be taken into consideration in determining proper compensation for key officers and board members:

- (1) that the level of remuneration is commensurate to the responsibilities of the role;
 - (2) that the remuneration pay-out schedules should be sensitive to risk outcomes over a multi-year horizon.
- o. Designate a lead director among the Independent Directors if the Chairman of the Board is not independent, including if the positions of the Chairman of the Board and Chief Executive Officer are held by one person.

The functions of the lead director include, among others, the following:

- i. Serves as an intermediary between the Chairman and the other directors when necessary;
- ii. Convenes and chairs meetings of the non-executive directors; and
- iii. Contributes to the performance evaluation of the Chairman, as required.

VII. Duties and Responsibilities of Directors

To ensure a high standard of best practice for the Company, its stockholders and other stakeholders, the members of the Board of Directors shall conduct themselves with honesty and integrity in the performance of, among others, the following specific duties and responsibilities:

- a. Conduct fair business transactions with the Company and to ensure that personal interest does not bias Board decisions. He shall not use his position to make profit or to acquire benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality, should an actual or potential conflict of interest arise, he should fully and immediately disclose the same and should not participate in the decision-making process.

A conflict of interest arises when the director's personal or business interest is antagonistic to that of the Company, or that he stands to acquire or gain financial advantage at the expense of the Company.

All dealings involving the Company's shares shall be disclosed/reported to the Company within three (3) business days from the date of the transaction.

Attached as Annex "A-1" is the Company's Conflict of Interest Policy.

- b. Devote time and attention necessary to properly discharge his duties and responsibilities. He should devote sufficient time to familiarize himself with the Company's business. He should be constantly aware of, and knowledgeable with, the Company's operations to enable him to meaningfully contribute to the Board's work. He should attend and actively participate in Board and committee meetings, review meeting materials, and, if called for, ask questions or seek explanation.
- c. He should act judiciously. He shall evaluate the issues, ask questions and seek clarifications necessary before deciding on any matter brought before the Board.
- d. He should exercise independent judgment. He shall review each problem or situation objectively. Should a disagreement with other directors arise, he should carefully evaluate and explain his position. He should not be afraid to take unpopular positions if he thinks such ideas are beneficial to the Company.
- e. He should have a working knowledge of the statutory and regulatory requirements affecting the Company, including the contents of its Articles of Incorporation and By-Laws, the requirements of the Securities and Exchange Commission, and where applicable, the requirements of other regulatory agencies. He shall also keep himself informed of the industry developments and business trends in order to safeguard the Company's competitiveness.
- f. He should observe and keep confidentiality. He should keep secure and confidential all non-public information he may acquire or learn by reason of his position as director. He shall not disclose any information to any other person without the authority of the Board or the Executive Committee.

Attached as Annex "A-2" is the Company's Insider Trading Policy.

- g. He should ensure the continuing soundness, effectiveness and adequacy of the Company's control environment.
- h. Attend before assumption of office and annually thereafter a seminar on corporate governance conducted by a duly recognized private or government institute.

Preferably, the orientation program for first-time directors shall be for at least eight (8) hours, while the annual continuing training shall be for at least four (4) hours.

VII. Outside Advisors

The Committee shall have the authority to retain such outside counsel, accountants, experts and other advisors as it deems appropriate to assist the Committee in the performance of its functions. The Committee shall have sole authority to approve related fees and retention items. The Company will provide appropriate funding, as determined by the Committee, for Compensation to any such outside advisors engaged by the Committee.

VIII. Miscellaneous

Nothing contained in this Charter is intended to expand applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Committee. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

ANNEX "A-1"

POLICY ON CONFLICT OF INTEREST

The Company shall ensure that all its transactions are fair and transparent, and do not benefit a particular group or individual at the expense of public investors or minority shareholders.

General Policy - Directors, officers and employees of the Company shall promote primarily the Company's interest. No director, officer or employee shall use his position to profit or gain some benefit or advantage for himself and/or his related interests.

1. The Company's Manual on Corporate Governance provides that a director shall have the duty to conduct fair business transactions with the Corporation and to ensure that personal interest does not (bias Board decisions) conflict with the interests of the Corporation. It is provided further that the basic principle to be observed is that a director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process. A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the Corporation, or stands to acquire or gain financial advantage at the expense of the Corporation.

2. The duty to avoid and disclose actual and potential conflict of interest as outlined above is also expected from other officers and employees.

3. The Audit Committee shall also determine and resolve any possible conflict of interest between the Company and/or its group and their directors, officers and major shareholders. The Audit Committee, together with the Company's engaged External Auditor, may review identified the related party transactions. The Company may further engage third-party institutions to evaluate the fairness of major related party transactions.

ANNEX "A-2"

POLICY ON INSIDER TRADING

The Company adheres to the state policy that insider trading must be eliminated in order not to create distortions in the free market.

Definitions -

a) For the purpose of this Policy, an "Insider" covers the following:

1. Members of the Board of Directors and the Corporate Secretary of the Company;
2. Officers as defined in the by-laws of the Company who are or may be in possession of material non-public information about the Company because of their responsibilities;
3. Consultants and Advisers of the Company;
4. Any person, including an employee, who possesses material non-public information regarding the Company is an Insider for so long as the information is "material nonpublic"; and
5. Members of the immediate families of Directors, Officers and all other Covered Persons who are living in the same household as the abovementioned Covered Persons.

b) An information is "material non-public" if it has not been generally disclosed to the public and, if disclosed, would likely affect the price of the securities and one person's decision to buy, sell or hold a security.

General Policy – Insiders shall not take advantage of material non-public information obtained by them by virtue of their position in the Company, and shall promote primarily the Company's interest over personal gain. No director, officer or employee shall use his position to profit or gain some benefit or advantage for himself and/or his related interests.

1. All covered persons of this policy, who have knowledge of material non-public information regarding the Company, are subject to the following restrictions:

- a) Insiders shall not buy or sell securities of the Company on their own account or for a third party using insider information, or have others trade for their (insiders) accounts. Insiders shall not buy or sell securities of the Company during the period within which material-nonpublic information is obtained and up to five (5) full trading days after the said information is disclosed ("Blackout Period").

- b) Insiders shall not pass the insider information to others, which in turn might trade ("tipping") or forward the insider information to third parties that buy and sell securities on the basis of that insider information.
- c) Insiders shall not engage in any other action to take advantage of insider information.

2. Internal rules and procedures regarding director or employee trading of the Company's securities that are clear, practical, and effective, in safeguarding against insider trading shall be developed by the Company.

3. Violation of this policy could result in serious sanctions, including dismissal from employment of the insider.

ANNEX “B”

CHARTER OF THE AUDIT COMMITTEE

I. Purpose

The purpose of the **Audit Committee** (the ‘Committee’) of the **Board of Directors** (the “Board”) of **Crown Asia Compounders Corporation** (the “Company”) is to represent and assist the Board in its general oversight of the Company’s accounting and financial reporting processes, audits of the financial statements, and internal control and audit functions. Management is responsible for preparing the Company’s financial statements, and the independent auditors are responsible for auditing those financial statements.

The Audit Committee members are not necessarily professional accountants or auditors and their functions are not intended to duplicate or to certify the activities of Management and the independent auditor under applicable rules. The Audit Committee serves a Board level oversight role where it oversees the relationship with the independent auditor, as set forth in this Charter, and provides advice, counsel and general direction, as it deems appropriate, to Management and the auditors on the basis of the information it receives, discussions with the auditor, and the experience of the Committee’s members in business, financial and accounting matters.

II. Membership

The Committee shall be appointed by the Board and shall comprise of at least three directors who meet the experience and independence standards of the Securities and Exchange Commission (“SEC”) and the Philippine Stock Exchange (“PSE”) and other applicable laws and regulations.

The Audit Committee shall be composed of at least three (3) appropriately qualified Non-Executive members of the Board, majority of whom shall be Independent Directors.

The Chairman of the Audit Committee should be an Independent Director, and should not serve as Chairman of the Board or of any of the other board committees.

All of the members of the Audit Committee shall have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing, and finance.

In case of any vacancy in the Committee, the Board shall appoint a replacement who will fill the vacancy at any meeting of the Board subject to the provision of this Charter.

Committee members may receive no compensation from the Company other than reasonable *per diem*.

III. Meeting

The Audit Committee will meet as often as may be deemed necessary or appropriate in its judgment, at least quarterly each year, and at such times and places as the Committee shall determine. The majority of the members of the Audit Committee shall constitute a quorum. The Audit Committee will meet separately, at least quarterly, with the independent auditors and management to discuss any matters that they wish to bring to the Audit Committee's attention.

The Audit Committee shall report to the Board with respect to its meetings, including any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, and/or the performance and independence of the Company's independent auditors.

IV. Committee Authority and Responsibilities

The primary responsibility of the Audit Committee is to oversee the Company's financial controls and reporting processes on behalf of the Board and report the results of its activities to the Board. The Audit Committee in carrying out its responsibilities believes its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances. The Audit Committee should take the appropriate actions to set the overall corporate "tone" for quality financial reporting, sound business risk practices, and ethical behavior.

The following shall be the principal recurring processes of the Audit Committee in carrying out its oversight responsibilities. The Audit Committee may perform such other duties and responsibilities as are consistent with its purpose and as the Board or the Committee deems appropriate.

Appointment and Oversight of Internal Auditors

With respect to Internal Audit, the Audit Committee shall:

- a. Recommend the approval of the Company's Internal Audit Charter, which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the Internal Audit Charter.
- b. To help the senior management in setting-up and monitor the effectiveness of the Company's internal control system, the Committee shall organize an Internal

Audit Department (in-house or outsourced) and consider the appointment of an independent Internal Auditor and the terms and conditions of its engagement and removal.

- c. Through the Company's Internal Audit Department, monitor and evaluate the adequacy and effectiveness of the Company's internal control system, integrity of financial reporting, and security of physical and information assets. Well-designed internal control procedures and processes that will provide a system of checks and balances should be in place in order to (a) safeguard the Company's resources and ensure their effective utilization, (b) prevent occurrence of fraud and other irregularities, (c) protect the accuracy and reliability of the Company's financial data, and (d) ensure compliance with applicable laws and regulations.
- d. Oversee the Internal Audit Department.
- e. Establish and identify the reporting line of the Internal Audit Head to enable him to properly fulfill his duties and responsibilities. The Internal Audit Head shall functionally report to the Audit Committee. The Audit Committee shall ensure that in the performance of the work of the Internal Audit Head, he shall be free from interference by outside parties.
- f. Review and monitor Management's responsiveness to the Internal Auditor's findings and recommendations.

*Appointment, Compensation, Retention, Rotation,
and Oversight of Independent External Auditors*

a. Independent External Auditors

The Audit Committee shall be directly responsible for the appointment, compensation, retention and oversight of the work of any registered public accounting firm engaged (including resolution of disagreements between management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit review or attest services for the Company. The Company shall provide the appropriate funding, as determined by the Committee, for payment of compensation to the public accounting firm so engaged.

The Independent External Auditor shall be selected and appointed by the stockholders upon the recommendation of the Audit Committee from the pool of duly accredited independent auditor by the regulatory authorities, e.g. Securities and Exchange Commission (SEC). The Independent External Auditor, or the lead partner thereof primarily responsible for the audit of the Company or the review thereof, shall be rotated or changed at least once every five (5) years or as determined by the regulatory authorities.

The Committee shall also be responsible for: (a) ensuring its receipt from the independent auditors of a formal written statement delineating all relationships between the auditor and the Company, consistent with Philippine Standards on Auditing and Philippine Financial Reporting Standards, (b) actively engaging in a dialogue with the auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditor, and (c) taking, or recommending that the full Board take, appropriate action to oversee the independence of the outside auditor. In connection with these responsibilities, the Committee shall discuss the auditor's independence from management and the Company, including whether the auditors' performance of permissible non-audit services is compatible with their independence. This process will include, at least annually, the Committee's review of the independent auditors' internal control procedures, any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the independent auditors, and any steps taken to deal with any such issues; and (to assess the auditor's independence) all relationships between the independent directors and the Company. The Company shall review the use of auditors other than the independent auditor in cases such as management's request for second opinions.

**b. Approval of Audit Engagement and the
Related Audit Scope and Audit Plans**

The Committee shall pre-approve all audit plans, scope and frequency before the conduct of the external and internal audit.

c. Audit Services

The Audit Committee shall discuss with the Independent External and Internal Auditors the overall scope and plans for their respective audits including their respective responsibilities and the adequacy of staffing and compensation. The Audit Committee shall approve in advance all audit engagement fees and the terms of all audit services to be provided by the independent auditors.

d. Non-Audit Services

The Committee shall establish policies and procedures for the engagement of the independent external auditors to provide permissible non-audit services, which shall include pre-approval of permissible non-audit services to be provided by the Independent External Auditor.

The Committee shall likewise evaluate and determine the non-audit work, if any, of the Independent External Auditor, and periodically review the non-audit fees paid to the Independent External Auditor in relation to the total fees paid to him and to the Company's overall consultancy expenses. The Audit Committee should disallow any non-audit work that will conflict with his duties as an Independent External Auditor or

may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Company's Annual Report and Annual Corporate Governance Report.

The Committee may, from time to time, delegate its authority to pre-approve non-audit services to one or more Committee members, provided that such delegate(s) present any such approvals to the full Committee at its next scheduled meeting.

Review of Financial Reports

The Committee shall check all financial reports against its compliance with both the internal financial management handbook and pertinent accounting standards, including regulatory requirements. It shall review the reports submitted by the internal and external auditors. It shall review interim and annual financial statements before the submission to the Board with particular focus on the following matters: any change/s in accounting policies and practices; major judgmental areas; significant adjustments resulting from the audit; going concern assumptions; compliance with accounting standards, and compliance with tax, legal and regulatory requirements.

a. Review of Interim Financial Statements/Earnings Releases

The Committee shall review the interim financial statements, and the Company's disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations with Management prior to the filing of the Company's Quarterly Report on SEC Form 17-Q. The Committee will discuss the Company's policies and procedures with respect to earnings releases, financial information, and earnings guidance provided to analysts and rating agencies. The Committee will discuss the results of the quarterly review and any other matters required to be communicated to the Committee. The Chairman of the Committee may represent the entire Committee for the purposes of this review.

b. Review of Annual Audited Financial Statements

The Audit Committee shall review with Management and the Independent External Auditor the financial statements to be included in the Company's Annual Report on SEC Form 17-A (or the annual report to shareholders), including: (i) their judgment about quality, not just acceptability, of the Company's accounting principles, including significant financial reporting issues and judgments made in connection with the preparation of the financial statements; (ii) the clarity of the disclosures in the financial statements; and (iii) the Company's disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations, including critical accounting policies.

The Audit Committee will also review with Management and the Independent External Auditor: (i) major issues regarding accounting principles and financial statement presentations, including significant changes in the selection or application

of accounting principles; (ii) major issues regarding the adequacy of internal controls and steps taken in light of material deficiencies; and (iii) the effects of alternative accounting methods and regulatory and accounting initiatives on the financial statements.

The Audit Committee will discuss the results of the annual audit and any difficulties the Independent External Auditor encountered in the course of its audit work, including any restrictions on the scope of the auditors' activities or on access to requested information, and any significant disagreements with Management. The Committee will also discuss any other matters required to be communicated to the Committee by the Independent External Auditor under generally accepted auditing standards, and the annual report on internal controls by the Chief Executive Officer and Chief Financial Officer, as received by the Independent External Auditor.

Based on these reviews, the Audit Committee will make a recommendation to the Board as to whether the audited financial statements should be included in the Company's Annual Report on SEC Form 17-A.

Related-Party Transactions

While the Company's current size, risk profile, and complexity of operations still do not necessitate the creation of a Related Party Transactions Committee by the Board, the Audit Committee will be tasked to review and have prior-approving authority for related-party transactions, as defined in the applicable Philippine Stock Exchange listing standards (RPTs). Accordingly, the Audit Committee shall exercise the following functions with respect to the Company's RPTs:

- a. Evaluate, on an ongoing basis, existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs and changes in relationships should be reflected in the relevant reports to the Board and regulators/supervisors.
- b. Evaluate all material RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances, and that no corporate or business resources of the Company are misappropriated or misapplied; and to determine any potential reputational risk issues that may arise as a result of, or in connection with, the transactions. In evaluating RPTs, the Committee takes into account, among others, the following:
 - i. The related party's relationship to the Company and interest in the transaction;
 - ii. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;

- iii. The benefits to the Company of the proposed RPT;
 - iv. The availability of other sources of comparable products or services; and,
 - v. An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The Company should have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs.
- c. Ensure that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Company's RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure should include information on the approach to managing material conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of the Company's affiliation or transactions with other related parties.
 - d. Reports to the Board of Directors on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties.
 - e. Ensures that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process.
 - f. Oversees the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.

Attached as Annex "B-1" is the Company's Policy on Related Party Transactions.

Other Duties and Responsibilities

a. Complaint Procedures

The Audit Committee will establish procedures for receipt, retention and treatment of complaints regarding accounting, internal accounting controls, and auditing matters, including procedures for confidential, anonymous submission of concerns by employees regarding accounting and auditing matters.

The Committee shall respond to any request from Management for evaluation of compliance with the Code of Conduct, Manual on Corporate Governance and Standard Operating Policies and Procedures. The task of ensuring that the Employee Code of Conduct has been understood and religiously complied with is collectively entrusted to both the Human Resource Division and the Department or Division where the employee is affiliated. The Compliance Officer shall be responsible for determining violations on the Manual on Corporate Governance through notice and hearing and shall recommend to the Chairman of the Board the penalty for such violation, for further review and approval of the Board.

Attached as Annex "B-2" is the Company's Whistle-Blowing Policy.

b. Risk Assessment and Promotion of Risk Awareness

The Committee will review and discuss with Management the Company's major financial risk exposures and the steps Management has taken to monitor and control such exposures.

The Audit Committee with the Board Risk Oversight Committee will provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Company. This function shall include regular receipt from Management of information on risk exposures and risk management activities.

All directors, officers and employees shall be made aware of risks involved if actions taken are not in conformity with the existing government laws, rules and regulations; Company's Employee Code of Conduct, Company's Manual on Corporate Governance and Company's Standard Operational Policies and Procedures.

Adequate number of printed copies of the Company's Employee Code of Conduct, Manual on Corporate Governance and Standard Operational Policies and Procedures must be reproduced and distributed for reading and reference or must be readily available for easy access by all directors, officers and employees to enjoin continuing compliance.

c. Hiring of Auditor Personnel

The Committee shall set clear hiring policies with regard to employees and former employees of the independent auditors.

d. Periodic Review of Audit Committee Charter

The Committee shall periodically (but no less than annually) review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.

e. Annual Performance Evaluation

The Committee shall annually review its own performance.

f. Investigative Authority

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company.

The Committee shall perform direct interface functions with the internal and external auditors. It should ensure that the internal and external auditors act independently

from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions.

g. Training and Education

As part of their continuing education, each member shall attend seminar on corporate governance conducted by a duly recognized private or government institute and accredited by the Securities and Exchange Commission. Each member is also encouraged to attend seminars and trainings relevant to their performance as members of the Audit Committee, e.g. financial reporting and audit, internal control, risk management and others.

V. Outside Advisors

The Committee shall have the authority to retain such outside counsel, accountants, experts and other advisors as it deems appropriate to assist the Committee in the performance of its functions. The Committee shall have sole authority to approve related fees and retention items. The Company will provide appropriate funding, as determined by the Committee, for Compensation to any such outside advisors engaged by the Committee.

VI. Miscellaneous

Nothing contained in this Charter is intended to expand applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Committee. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

ANNEX "B-1"

POLICY ON RELATED PARTY TRANSACTIONS

The Company shall ensure that all its transactions are fair and transparent, and do not benefit a particular group or individual at the expense of public investors or minority shareholders.

General Policy – Directors, officers and employees of the Company shall promote primarily the Company's interest. No director, officer or employee shall use his position to profit or gain some benefit or advantage for himself and/or his related interests.

Definition – "Related party" shall mean any of the Company's Directors, Officers, Stockholders and their related interests, or any of their immediate family members with beneficial ownership or significant influence/control in the party that the company has or will have dealings with.

1. The Company's Manual on Corporate Governance provides that a director shall have the duty to conduct fair business transactions with the Corporation and to ensure that personal interest does not (bias Board decisions) conflict with the interests of the Corporation. It is provided further that the basic principle to be observed is that a director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process. A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the Corporation, or stands to acquire or gain financial advantage at the expense of the Corporation.

2. The duty to avoid and disclose actual and potential conflict of interest as outlined above is also expected from other officers and employees.

3. The Company shall adhere to the requirements of the Corporation Code in approving contracts with one or more of its directors or officers or with another

corporation in which one or more of the Company's directors is/are interlocking directors therein.

4. Transactions with related parties shall be at arm's-length prices or at terms similar to those offered to non-related entities in an economically comparable market. The Company shall consider the substance of the relationship, and not merely the legal form, in evaluating possible related party transactions.

5. The Audit Committee shall review and, if appropriate, recommend the approval of related party transactions to the Board of Directors. It shall also ensure proper disclosure in the Company's Financial Statements and other required reports in coordination with the Corporate Information Officer.

ANNEX "B-2"

WHISTLE-BLOWING POLICY

It is of great importance that the directors, officers and employees of the Company observe high standards of work and personal ethics in the conduct of their duties and responsibilities. As representatives and employees of the Company, they must practice honesty and integrity in fulfilling their responsibilities, and must exemplify the behavior and professional demeanor consistent with all applicable laws and regulations, as well as the Company's applicable policies and procedures.

This Policy intends to encourage and empower directors, officers, employees or any person to raise concerns on matters pertaining to potential violations of laws, Company policies and procedures, and give the Company opportunity to address the same prior to seeking external remedies. This Policy shall apply to all directors, officers and employees of the Company as well as any person who makes a protected disclosure as defined in this Policy.

General Policy – No director, officer, employee or any person, who in good faith, duly reports a matter covered by this policy shall suffer harassment, retaliation or any adverse consequence in his employment or practice of profession. A director, officer, employee or any person who retaliates against someone who has reported a violation in good faith is subject to disciplinary action up to and including termination of employment.

Definitions – For purposes of the Whistleblowing Policy, the following definitions shall control and apply:

a) "Protected disclosure" shall refer to written deliberate and voluntary disclosure by a director, officer, employee, or any person with relevant information of an actual or potential violation of laws, Company policies and procedures by any director, officer or employee or by any person which affects the Company.

b) "Whistleblower" refers to any person who makes a protected disclosure to his immediate supervisor, other superior officers, or the Internal Audit Department. If the protected disclosure is made to any other company personnel, it shall be referred to the Internal Audit Department.

c) "Retaliatory Action" pertains to negative or obstructive response or reactions to a disclosure taken against the Whistleblower, his family/relatives within the fourth civil degree, and/or those officers and employees supporting him such as, but not limited to, civil, administrative or criminal proceedings commenced or pursued against covered persons in this provision by reason of the disclosure made under this Policy, reprisals against covered persons by forcing or attempting to force any of them to

resign, retire and/or transfer, undue negative performance appraisals or disciplinary actions, and such other similar acts.

1. A Whistleblower may make a protected disclosure to his immediate supervisor, other superior officers, or the Internal Audit Department any complaint or report on acts or omissions that are actually or potentially contrary to laws, Company rules, regulations or policies; unreasonable, unjust, unfair, oppressive or discriminatory; or constitutive of an undue or improper exercise of powers and prerogatives. The complaint or report shall indicate his name, department and contact number, and information on the disclosures shall contain sufficient particulars and details of the actual, suspected or anticipated wrongdoing and, as much as possible, be supported by other material evidence, attaching supporting documents if there are any, such that verification can be made regarding the circumstances. The report shall be in the form of a signed and dated handwritten or typewritten letter hand-carried or email sent directly to the Internal Audit Manager.

2. A whistleblower shall have the following rights:

a) Protection Against Retaliatory Actions

b) Defense of Privileged Communication

c) No Breach of Duty of Confidentiality – A whistleblower who has an obligation by way of oath, rule or practice to maintain confidentiality of information shall not be deemed to have committed a breach of such duty if he makes a protected disclosure of such information.

3. Any officer to whom a disclosure is made shall have the following obligations:

a) Maintain the confidentiality of the subject matter of the disclosure and of the identity of the whistleblower;

b) Ensure and undertake measures to protect the well-being of the whistleblower; and

c) Report the disclosure in full detail to the Internal Audit Department, within a period of five (5) days from date of disclosure.

4. Upon receipt of the disclosure, the Internal Audit Department shall:

a) Evaluate the disclosure on whether or not it qualifies as protected disclosure under this Policy; and

b) If the Internal Audit Department finds that the same is qualified, to proceed to investigate the disclosure in accordance with its internal rules and with the guidance of the Company's Audit Committee.

5. The Company will publicize the contact details in order to facilitate the receipt of protected disclosures. Any report covered by this shall be made to:

The Internal Audit Department

CROWN ASIA CHEMICALS CORPORATION

Attention : The Internal Audit Manager

Address : Unit 506, President Tower, 81 Timog Avenue, Quezon City

Email to : asantonio@crownpvc.com.ph

ANNEX "C"

CORPORATE GOVERNANCE COMMITTEE CHARTER

The Corporate Governance Committee is tasked with ensuring compliance with and proper observance of corporate governance principles and practices.

The Corporate Governance Committee shall likewise advise the Board with respect to matters relating to the composition of the Board. The Board identifies individuals qualified to become Board members and, consistent with criteria reviewed by the Corporate Governance Committee and approved by the Board, recommends to the Board nominees for director for approval at the next annual meeting of stockholders, including any incumbent directors.

The Corporate Governance Committee shall also assist the Board and the Company's Management in defining the Company's executive compensation policy and in carrying out various responsibilities relating to compensation of the Company's executive officers and directors, including: evaluating and approving compensation to the Chief Executive Officer and evaluating and recommending to the Board compensation to all other executive officers; reviewing and recommending to the Board compensation to non-employee directors; and overseeing the development and administration of the Company's equity compensation and benefit plans.

I. Purposes

The purposes of the Corporate Governance Committee shall be three-fold:

a. Corporate Governance

To assist the Board of Directors in the performance of its corporate governance responsibilities.

b. Nomination of Directors/Officers

To identify individuals qualified to become members of the Board of Directors (the "Board") and, consistent with criteria approved by the Board, recommend that the Board select the Director nominees for the next annual meeting of stockholders.

It shall prescreen and short list all candidates nominated to become a member of the Board of Directors in accordance with the qualifications criteria and grounds for disqualification provided in **Annex "C-1"** hereof.

In consultation with the executive or management committees, review at regular intervals and if so necessary redefine the role, duties and responsibilities of the Chief

Executive Officer and other executive officers of the Company with the aim of maintaining at all times acceptable standards of good governance.

c. Compensation of Directors/Officers/Employees

Review and if necessary establish a formal and transparent policy on executive remuneration and recommend to the shareholders the remuneration of directors.

The determination of the remuneration of senior management and other key personnel is the responsibility of the chief executive officer and/or the Executive Committee. The compensation and remuneration committee should however ensure that compensation levels are consistent with the Corporation's financial capability as well as reasonable industry standards.

Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all officers and directors , which should require all officers and directors to declare under the penalty of perjury all their existing business interests or share holdings that may directly or indirectly conflict with their performance of duties to the Corporation. Such Disclosures should be updated at least every year. It should be clear that it is mandatory for officers and directors even within the yearly reporting period to declare prior to actually investing in or acquiring an interest, being employed or retained in any manner by a competitor or potential competitor.

II. Membership

The Corporate Governance Committee shall be composed of at least three (3) members of the Board.

At least three (3) members of the Corporate Governance Committee, including the Chairman thereof, shall be Independent Directors.

The Chair and members of the Committee shall be appointed annually by the Board. Vacancies shall be filled by election by the Board, and any member of the Committee may be removed by the Board.

The Committee shall have the power and authority to delegate any of its duties or responsibilities herein to a subcommittee comprised of one or more members of the Committee.

III. Meetings

1. The Corporate Governance Committee shall meet in accordance with the annual meeting schedule or at the call of the Chair or a majority of the members. A majority of the members of the Committee shall constitute a quorum for the transaction of business.

2. Procedures fixed by the Corporate Governance Committee shall be subject to

any applicable provision of the Company's By-laws. Written minutes of each meeting shall be duly filed in the Company records, and reports of meetings of the Committee shall be made to the Board at its next regularly scheduled meeting following the Committee meeting and shall be accompanied by any recommendations to the Board approved by the Committee.

IV. Key Responsibilities

Corporate Governance

- a. Oversee the implementation of the corporate governance framework and periodically review the said framework to ensure that it remains appropriate in light of material changes to the Company's size, complexity and business strategy, as well as its business and regulatory environments.
- b. Oversee the periodic performance evaluation of the Board and its committees as well as executive management, and conducts an annual self-evaluation of its performance.
- c. Ensure that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement.
- d. Recommend continuing education/training programs for directors, assignment of tasks/projects to board committees, succession plan for the board members and senior officers, and remuneration packages for corporate and individual performance.
- e. Adopt corporate governance policies and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance.
- f. Propose and plan relevant trainings for the members of the Board.

Nomination of Directors/Officers

- a. Develop and recommend for approval by the Board a set of criteria for Board membership. Identify, evaluate and attract qualified individuals to become Directors who satisfy such criteria. Make recommendations to the Board regarding candidates for membership on the Board, including the slate of nominees to be proposed by the Board for election by the stockholders at the annual meeting of stockholders and any director nominees to be elected by the Board to fill interim director vacancies. Establish and follow procedures for the recommendation of candidates by the Company's stockholders and the consideration by the Governance Committee of Director candidates so recommended.

The nomination of directors shall be conducted by the Corporate Governance Committee prior to a stockholders' meeting in accordance with the following:

- i. All stockholders of record of the Corporation shall be entitled to nominate persons who shall be considered by the Corporate Governance Committee.
- ii. All nominations should be submitted to the Corporate Governance Committee on or before January 30 of each year to allow the Corporate Governance Committee sufficient time to assess and evaluate the qualifications of the nominees.
- iii. All recommendations for the nomination of Independent Directors shall be signed by the nominating stockholders together with the acceptance and conformity of the would-be nominees.
- iv. After the nomination, the Corporate Governance Committee shall prepare a List of Candidates which shall contain all the information about all the nominees for election as members of the Board of Directors, which list shall be made available to the Securities and Exchange Commission (SEC) and to all stockholders through the filing and distribution of the Information Statement or Proxy Statement, or in such other reports as the Corporation will be required to submit to the SEC.

The name of the person or group of persons who recommended the nomination of the independent director(s) shall be identified in such report, including any relationship with the nominee.

- v. Only nominees whose names appear on the List of Candidates shall be eligible for election as directors. No other nominations for election as director shall be entertained after the List of Candidates shall have been prepared and finalized. No further nominations for election as director shall be entertained or allowed on the floor during the actual annual stockholders' meeting.
- b. Assess the contributions and independence of incumbent Directors in determining whether to recommend them for re-election to the Board at the annual meeting of stockholders.
 - c. Make recommendations to the Board on such matters as the retirement age, tenure and removal of Directors.
 - d. Manage the Board performance review process and review the results with the Board on an annual basis.
 - e. Recommend to the Board candidates for appointment to Board committees and consider periodically rotating Directors among the committees.

- f. Review directorships in other public or private companies (excluding charitable or non-profit organizations) held by or offered to Directors and executive officers of the Company.

As a matter of policy, the Non-Executive members of the Board of Directors should concurrently serve as directors only to a maximum of five (5) publicly-listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the Company.

Towards this end, a director should notify the Board before accepting a directorship in another publicly-listed company.

- g. Review and assess the channels through which the Board receives information and the quality and timeliness of information received.
- h. Perform such other duties and responsibilities as are consistent with the purpose of the Committee and as the Board or the Committee deems appropriate.

In assessing the need to impose further limitations on outside directorships for individual members of the Board, the Corporate Governance Committee may consider the following guidelines:

- The nature of the business of the corporations which he is a director;
- Age, and physical capacity of the director,

The optimum number shall be related to the capacity of a director to perform his duties diligently in general.

On the other hand, the Chief Executive Officer and other executive directors shall submit themselves to a low indicative limit on membership in other corporate boards. The same low limit shall apply to independent, non-executive directors who serve as full-time executives in other corporations. In any case, the capacity of directors to serve with diligence shall not be compromised.

Compensation of Directors/Officers/Employees

- a. Assist Management and the Board in defining an executive compensation policy that (a) attracts, retains and appropriately rewards key executives of the Company, (b) links compensation with achievement of the Company's business objectives and (c) aligns the interests of key executives with the long-term interests of the Company's stockholders.
- b. Annually (or bi-annually in the case of bonus amounts) review and approve corporate goals and objectives relevant to the base salary, bonus amount and

other compensation of the Chief Executive Officer/President and the Company's other officers.

- c. Evaluate the performance of each of the Chief Executive Officer/President and the Company's other officers in light of those goals and objectives, and determine and approve the compensation level, including base salary, bonus amount and other compensation, if any, of each such officer based on this evaluation and other relevant factors. Evaluation of the Chief Executive Officer/President's performance shall be made in consultation with the Governance Committee.
- d. Make recommendations to the Board with respect to incentive compensation plans and equity-based plans, including overseeing the development of new compensation plans and the revision of old plans.
- e. Administer the Company's incentive compensation and equity-based plans, and approve restricted stock awards, stock option grants and other equity-based or incentive awards under these plans, including any performance criteria relating to these plans or any awards.
- f. Review the Company's employee benefit plans and either recommend plan changes to the Board or amend such plans, subject where required by shareholder approval.
- g. Recommend to the Board retainer, other compensation, and attendance fees, including Board committee attendance fees, for non-employee Directors.
- h. Annually review and discuss with the Company's management the Compensation Disclosure to be included in the Company's annual report and SEC Form 17-A and SEC Form 20-IS.
- i. Provide in the Corporation's annual reports, information and proxy statements a clear, concise and understandable disclosure of compensation of its executive officers for the previous fiscal year and the ensuing year.
- j. Evaluate annually the performance of the Committee and the adequacy of this Charter.
- k. Perform such other duties and responsibilities as are consistent with the purpose of the Committee and as the Board or the Committee deems appropriate.

V. Outside Advisors

The Corporate Governance Committee shall have the authority to retain such outside counsel, experts and other advisors as it determines appropriate to assist it in the full performance of its functions, including the sole authority to retain and

terminate search firms used to identify Director candidates, and to approve any such search firm's fees and other retention terms.

VI. Miscellaneous

Nothing contained in this Charter is intended to expand applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Corporate Governance Committee. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

QUALIFICATIONS AND DISQUALIFICATIONS OF DIRECTORS

I. Qualifications for Directorship

In addition to the qualifications for directorship in the Company provided for in the Corporation Code, Securities Regulation Code and other relevant laws, rules and regulations and such other qualifications approved by the Board and incorporated in amendments to the By-laws, the Board may provide for additional qualifications which include, among others, the following:

- a. Holder of at least one (1) share of stock of the Company registered directly under his name.
- b. He shall be at least a college graduate or have sufficient experience in managing the business to substitute for such formal education.
- c. He shall be at least twenty one (21) years old.
- d. He shall have proven to possess integrity and probity.
- e. He should have sufficient interest in the business of the Company to be willing as well as able to make a positive contribution to its undertakings.
- f. He must have a practical understanding of the business of the Company or previous business experience.
- g. He must have attended a seminar on corporate governance conducted by a duly recognized private or government entity or must have issued an undertaking to attend such a seminar as soon as practicable.

II. Disqualifications from Directorship

The following shall be grounds for the permanent disqualification of a director:

- (i) Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasibank, trust company, investment house or as an affiliated person of any of them;

- (ii) Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Commission or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.

The disqualification shall also apply if such person is currently the subject of an order of the Commission or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the Commission or Bangko Sentral ng Pilipinas (BSP), or under any rule or regulation issued by the Commission or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;

- (iii) Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;
- (iv) Any person who has been adjudged by final judgment or order of the Commission, court, or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporation Code, Securities Regulation Code or any other law administered by the Commission or BSP, or any of its rule, regulation or order;
- (v) Any person earlier elected as independent director who becomes an officer, employee or consultant of the same corporation;
- (vi) Any person judicially declared to be insolvent;
- (vii) Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated in sub-paragraphs (i) to (v) above;

- (vii) Conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment;
- (viii) Pursuant to Article VIII of the Corporation's Amended By-Laws, no person, nor any of his/her relatives within the fourth (4th) civil degree of consanguinity, who has such interest, in any capacity, in any business similar to or in direct or indirect competition with the business of the Corporation or of any of its clients or suppliers, may sit as member of the Board of Directors of the Corporation.

III. Qualification of Independent Director

"Independent Director" means a person who, apart from his fees and shareholdings, is independent of management and free from any business, or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as director of the Company.

Independent Directors need to possess a good general understanding of the industry they are in. Further, independence and competence should go hand-in-hand. It is therefore important that the Company's Non-Executive Directors, including Independent Directors, possess the qualifications and stature that would enable them to effectively and objectively participate in the deliberations of the Board.

An Independent Director refers to a person who, ideally:

- a. Is not, or has not been a senior officer or employee of the Company unless there has been a change in the controlling ownership of the Company.
- b. Is not, and has not been in the three (3) years immediately preceding his election, a director of the Company; a director, officer, employee of the Company's subsidiaries, associates, affiliates or related companies; or a director, officer, employee of the Company's substantial shareholders and its related companies.
- c. Has not been appointed in the Company, its subsidiaries, associates, affiliates or related companies as Chairman "Emeritus," "Ex-Officio" Directors/Officers or Members of any Advisory Board, or otherwise appointed in a capacity to assist the Board in the performance of its duties and responsibilities within three (3) years immediately preceding his election.
- d. Is not an owner of more than two percent (2%) of the outstanding shares of the Company, its subsidiaries, associates, affiliates or related companies.
- e. Is not a relative of a director, officer, or substantial shareholder of the Company or any of its related companies or of any of its substantial shareholders. For this

purpose, relatives include spouse, parent, child, brother, sister and the spouse of such child, brother or sister.

- f. Is not acting as a nominee or representative of any director of the Company or any of its related companies.
- g. Is not a securities broker-dealer of listed companies and registered issuers of securities.

"Securities broker-dealer" refers to any person holding any office of trust and responsibility in a broker-dealer firm, which includes, among others, a director, officer, principal stockholder, nominee of the firm to the Philippine Stock Exchange, an associated person or salesman, and an authorized clerk of the broker or dealer.

- h. Is not retained, either in his personal capacity or through a firm, as a professional adviser, auditor, consultant, agent or counsel of the Company, any of its related companies or substantial shareholder, or is otherwise independent of Management and free from any business or other relationship within the three years immediately preceding the date of his election.
- i. Does not engage or has not engaged, whether by himself or with other persons or through a firm of which he is a partner, director or substantial shareholder, in any transaction with the Company or any of its related companies or substantial shareholders, other than such transactions that are conducted at arm's length and could not materially interfere with or influence the exercise of his independent judgment.
- j. Is not affiliated with any non-profit organization that receives significant funding from the Company or any of its related companies or substantial shareholders.
- k. Is not employed as an executive officer of another company where any of the Company's executives serve as directors.

When used in relation to the Company, "related company" means another company which is: (1) its holding company; (b) its subsidiary; or (c) a subsidiary of its holding company; and "substantial shareholder" means any person who is directly or indirectly the beneficial owner of more than ten (10) percent of any class of its equity security.

IV. Temporary Disqualification

Any of the following shall be a ground for the temporary disqualification of a director:

- (i) Refusal to fully disclose the extent of his business interest as required under the Securities Regulation Code and its Implementing Rules and Regulations. This disqualification shall be in effect as long as his refusal persists;

- (ii) Absence in more than fifty (50) percent of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the succeeding election;
- (iii) Dismissal or termination for cause as director of any corporation covered by this Code. The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination;
- (iv) Being under preventive suspension by the Corporation;
- (v) If the beneficial equity ownership of an independent director in the Corporation or its subsidiaries and affiliates exceeds two percent of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with.
- (vi) If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.

A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.

ANNEX "D"

BOARD RISK OVERSIGHT COMMITTEE CHARTER

I. Purpose

The Board Risk Oversight Committee is established for the purpose of assisting the Board in overseeing the Company's practices and processes relating to risk assessment and risk management; maintaining an appropriate risk culture, reporting of financial and business risks and associated internal controls. The Board Risk Oversight Committee will assist the board in providing framework to identify, assess, monitor and manage the risks associated with the Company's business. It helps the Board to adopt practices designed to identify significant areas of business and financial risks and to effectively manage those risks in accordance with Company's risk profile.

II. Membership

The Board Risk Oversight Committee shall be appointed by the Board and shall comprise of at least three (3) directors who meet financial-literacy and independence standards of the Securities and Exchange Commission. Majority of the members of the Committee shall be Independent Directors.

Vacancies may be filled at any time during the year by action of the full Board.

The term of the service for Board Risk Oversight Committee members shall be one year or until their successors shall be duly elected and qualified.

Unless a Chairperson is elected by the full Board, the members of the Committee may designate a Chairperson by majority vote of the full Committee membership. The Chairperson of the Board Risk Oversight Committee, however, shall be an Independent Director; provided, that he shall not be the Chairman of the Board of Directors or of any other committee of the Board.

III. Meetings

The Board Risk Oversight Committee shall meet at least quarterly each year or more frequently as circumstances dictate. The Committee will also periodically meet with Management, the Internal Auditor and Risk Management Officer to discuss any matters that they wish to bring to the Committee's attention.

A quorum at any Committee meeting shall be at least a majority of the Committee members.

All determinations of the Committee shall be at least by a majority of its members present at a meeting duly called for and held.

Minutes of all meetings of the Committee shall be prepared to document the Committee's discharge of its responsibilities. The minutes shall be circulated in draft form to all committee members to ensure an accurate final record and shall be approved at a subsequent meeting of the Committee and distributed periodically to the full Board.

IV. Key Responsibilities

The Committee shall have the authority of the Board to:

- a. Develop a formal enterprise risk management plan which contains the following elements:
 - (i) common language or register of risks;
 - (ii) well-defined risk management goals, objectives and oversight;
 - (iii) uniform processes of assessing risks and developing strategies to manage prioritized risks;
 - (iv) designing and implementing risk management strategies; and,
 - (v) continuing assessments to improve risk strategies, processes and measures.
- b. Oversee the implementation of the enterprise risk management plan through a Management Risk Oversight Committee. The Board Risk Oversight Committee shall conduct regular discussions on the Company's prioritized and residual risk exposures based on regular risk management reports, and assess how the concerned units or offices are addressing and managing these risks.
- c. Evaluate the risk management plan to ensure its continued relevance, comprehensiveness, and effectiveness. The Board Risk Oversight Committee shall revisit defined risk management strategies, look for emerging or changing material exposures, and stay abreast of significant developments that seriously impact the likelihood of harm or loss.
- d. Advise the Board on its risk appetite levels and risk tolerance limits.
- e. Review, at least annually, the Company's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and when major events occur that are considered to have major impacts on the Company.
- f. Assess the probability of each identified risk becoming a reality and estimate its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are the most likely to occur and to impact the performance and stability of the Company and its stakeholders.

- g. Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the Company. This function includes regularly receiving information on risk exposures and risk management activities from Management.
- h. Report to the Board on a regular basis, or as deemed necessary, the Company's material risk exposures, the actions taken to reduce the risks, and recommend further action or plans, as necessary.
- i. Perform other activities consistent with this charter, the Company's By-Laws and governing law as the Committee or the Board deems necessary or appropriate

V. Outside Advisors

The Board Risk Oversight Committee shall have the authority to retain such outside counsel, accountants, experts and other advisors as it deems appropriate to assist the Committee in the performance of its functions. The Committee shall have sole authority to approve related fees and retention items. The Company will provide appropriate funding, as determined by the Committee, for compensation to any such outside advisors engaged by the Committee.

VI. Miscellaneous

Nothing contained in this Charter is intended to expand applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Committee. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

ANNEX "E"

EXECUTIVE COMMITTEE CHARTER

Between meetings of the Board, the Executive Committee may exercise all of the powers of the Board (except those powers expressly reserved by applicable law to the Board) in the management and direction of the business and conduct of the affairs of the Company, subject to any specific directions given by the Board.

I. Purpose

The purpose of the Executive Committee is to act on behalf of the Board of Directors between Board meetings.

II. Membership

The Committee shall be composed of three or more Directors, as determined by the Board. The Chairman of the Board shall be the Chair of the Committee. The other members of the Committee shall be appointed annually by the Board on the recommendation of the Corporate Governance Committee. Vacancies shall be filled by approval of the Board on the recommendation of the Corporate Governance Committee, and any member of the Executive Committee may be removed by the Board.

III. Meetings

1. The Executive Committee shall meet at the call of the Chairperson or a majority of the members. A majority of the members of the Committee shall constitute a quorum for the transaction of business. The passage of any resolution of the Committee shall require the affirmative vote of a majority of Committee members present and voting on such resolution who are not employees of the Company.

2. Procedures fixed by the Executive Committee shall be subject to any applicable provision of the Company's By-laws.

Written minutes of each meeting shall be duly filed in the Company records, and reports of meetings of the Committee shall be made to the Board at its next regularly scheduled meeting following the Committee meeting.

Actions taken by the Committee shall be promptly communicated to the Directors who are not members of the Committee.

IV. Key Responsibilities

The Executive Committee shall have all the authority of the Board, except that it shall not have authority to:

1. Approve any action for which shareholders approval is also required.
2. Fill vacancies in the Board or in any committee thereof.
3. Amend or repeal the By-Laws, or adopt new By-Laws.
4. Amend or repeal any resolution of the Board that which, by its express terms, is not so amendable or repealable.
5. Distribute cash dividends to the shareholders.
6. Fix the compensation of Directors for serving on the Board or any committee thereof.
7. Fix or amend the compensation, benefits or perquisites of the Chief Executive Officer.
8. Take any action that the Corporation Code of the Philippines or the Company's By-Laws prohibit the Board from delegating to a committee.
9. Take any action required by the rules or regulations of the Securities and Exchange Commission or the Philippine Stock Exchange to be approved by the full Board or by another committee of the Board.

V. Outside Advisors

The Executive Committee shall have the authority to retain outside counsel, experts and other advisors as it determines appropriate to assist it in the full performance of its functions and to approve their fees and other retention terms.

VI. Miscellaneous

Nothing contained in this Charter is intended to expand applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Executive Committee. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

CERTIFICATION


We certify that pursuant to the Manual of Corporate Governance of Crown Asia Chemicals Corporation (the 'Company'), the Board of Directors discussed, reviewed, and noted the reports on the following in 2021:

1. The Company's operational, financial, and compliance controls; and
2. The Company's Risk Management Systems.

We further certify that as Independent Director's of the Company and Chairpersons of its different committees, we trust in the adequacy of the Company's internal controls and risk management systems.

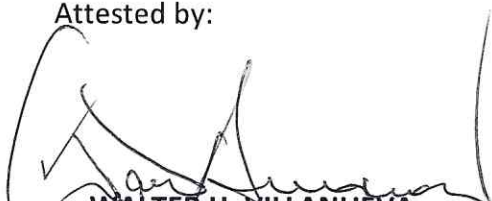
Signed this ____ day of May 2022.


Marie Therese G. Santos
Chairman - Audit Committee


Ernesto R. Alberto
Chairman - Board Risk Oversight Committee


Bede Lovell S. Gomez
Chairman - Corporate Governance Committee

Attested by:


WALTER H. VILLANUEVA
President

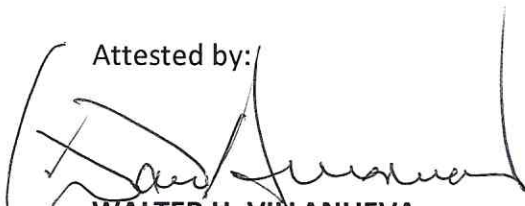
CERTIFICATION

In relation to the requirement of the Integrated Annual Corporate Governance Report (I-ACGR) of Crown Asia Chemicals Corporation, I certify that a sound internal audit, control, and compliance system is in place and working effectively. Internal audit procedures to test the internal controls and compliance with the Corporation's manuals, guidelines, and issuances that outline procedures and processes are conducted regularly on a risk-based approach for 2021. The internal auditor's findings and observations are regularly discussed with the concerned departments and officers and reported to the Audit Committee for corrective actions.

Signed this ____ of May 2022.


ALLAN DELA VEGA SALVADOR
Internal Auditor

Attested by:


WALTER H. VILLANUEVA
President