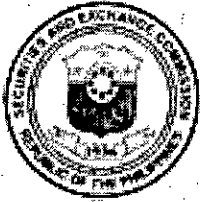




106052018002227



# SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines  
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

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Industry Classification  
Company Type Stock Corporation

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# COVER SHEET

ASO94-004462  
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(Company's Full Name)

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T	A	G	U	I	G	C	I	T	Y	1	6	3	4	M	E	T	R	O	M	A	N	I	L	A

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

Atty. Dominic V. Isberto  
Contact Person

3284370 to 78  
Company Telephone Number

1
2

3
1
  
 Month Day  
 fiscal year

**SEC Form I-ACGR**  
FORM TYPE

Last Thursday of June  
Month Day  
annual meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/ Section

Total Amount of Borrowings

Domestic	Foreign

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To be accomplished by SEC Personnel concerned

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GLOBAL-ESTATE RESORTS, INC.

4 June 2018

**Corporate Governance and Finance Department**  
**SECURITIES AND EXCHANGE COMMISSION**  
SEC Building E. Delos Santos Avenue  
Mandaluyong City, Metro Manila

Attention: **Director Rachel Esther J. Gumtang-Remalante**  
*Officer-in-Charge*

Re: **I-ACGR for 2017**

Gentlemen:

On 30 May 2018, Global-Estate Resorts, Inc. (the "Company") submitted its Integrated Annual Corporate Governance Report (I-ACGR) for 2017 without the signature of its Chairman and Chief Executive Officer, Dr. Andrew L. Tan, who was out of the country at the time of submission. Thus, the Company, through its Corporate Secretary, executed an Affidavit of Undertaking to re-submit the I-ACGR with the original and manual signature of Dr. Tan under oath, immediately upon his return.

Pursuant to the Company's undertaking, we hereby re-submit the Company's I-ACGR for 2017 with complete signatures of all signatories.

Thank you.

A handwritten signature in black ink, appearing to read 'D. Isberto', written over a horizontal line.

**DOMINIC V. ISBERTO**  
Corporate Secretary



**Securities and  
Exchange  
Commission**  
PHILIPPINES

**SEC FORM - I-ACGR**

**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**

1. For the fiscal year ended 2017
2. SEC Identification Number AS094-4462 3. BIR Tax Identification No. 000-426-523-000
4. Exact name of issuer as specified in its charter GLOBAL-ESTATE RESORTS, INC.
5. Metro Manila, Philippines  
Province, Country or other jurisdiction of  
incorporation or organization
6.  (SEC Use Only)  
Industry Classification Code:
7. 16th Floor, Alliance Global Tower, 36th Street  
cor. 11th Avenue, Uptown Bonifacio,  
Taguig City, 1634, Metro Manila, Philippines  
Address of principal office 1634  
Postal Code
8. (632) 328-4370 to 78  
Issuer's telephone number, including area code
9. 6<sup>th</sup> Floor, Renaissance Tower, Meralco Avenue, Pasig City 1600  
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**

<p>1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.</p>	<p>Compliant</p>	<p>Please see GERI's 2017 Annual Report (17-A). <a href="http://www.global-estate.ph/sites/default/files/SECForm17-A/SEC%2017-A%20GERI%202017%20Annual%20Report.pdf">http://www.global-estate.ph/sites/default/files/SECForm17-A/SEC%2017-A%20GERI%202017%20Annual%20Report.pdf</a></p>	
<p>2. Board has an appropriate mix of competence and expertise.</p>	<p>Compliant</p>	<p><a href="http://www.global-estate.ph/sites/default/files/SECForm17-A/SEC%2017-A%20GERI%202017%20Annual%20Report.pdf">A%20GERI%202017%20Annual%20Report.pdf</a></p>	
<p>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.</p>	<p>Compliant</p>	<p>The profiles of each director containing the academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors are indicated on <b>pages 29 to 32</b> of the Annual Report.</p> <p>The Board is composed of directors with a collective working knowledge, experience or expertise that is relevant to the real estate industry. The Board ensures 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</p>	

		<p>needs of the organization based on the evolving business environment and strategic direction. (See Section IV(A) of New Manual on Corporate Governance.) <a href="http://www.global-estate.ph/sites/default/files/ManualOnCorpGovernance/New%20Manual%20on%20Corporate%20Governance%202016.pdf">http://www.global-estate.ph/sites/default/files/ManualOnCorpGovernance/New%20Manual%20on%20Corporate%20Governance%202016.pdf</a></p>	
Recommendation			
<p>1. Board is composed of a majority of non-executive directors.</p>	<p>Non-compliant</p>		<p>Currently, GERI has 2 non-executive directors, 5 executive directors and 2 independent directors, to wit:</p> <p><i>Executive Directors:</i>  Andrew L. Tan (Chairman &amp; CEO)  Lourdes T. Gutierrez-Alfonso (Managing Director)  Monica T. Salomon (President)  Wilbur L. Chan (Director)  Alain A. Sebastian (Director)</p> <p><i>Non-Executive Directors:</i>  Ferdinand T. Santos (Director)  Kevin Andrew L. Tan (Director)</p> <p><i>Independent Directors:</i>  Jesus B. Varela (Independent Director)  Cresencio P. Aquino (Independent Director)</p> <p>The Company has two (2) independent directors which is still compliant under the Securities Regulation Code (SRC) and the</p>

			<p>rules and regulations of the Securities and Exchange Commission (SEC) requiring a company to have at least 20% of the number of directors of the board [i.e. nine (9) directors in the Company's case] or two (2), whichever is lower, but in no case less than two (2).</p> <p>Moreover, considering an independent director falls under the category of a non-executive director, the discrepancy in the number of non-executive directors (four) as opposed to executive directors (five) is very minimal which may not adversely affect the directors' objective and independent judgment on corporate affairs.</p>
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**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>Please see GERI's New Manual on Corporate Governance</p> <p><a href="http://www.global-estate.ph/sites/default/files/ManualOnCorpGovernance/New%20Manual%20on%20Corporate%20Governance%202016.pdf">http://www.global-estate.ph/sites/default/files/ManualOnCorpGovernance/New%20Manual%20on%20Corporate%20Governance%202016.pdf</a></p> <p>Section IV (L)(4)(d) and Section IV (L)(4)(f) of the Manual on Corporate Governance state that it is among the duties of the Corporate Governance Committee to:</p> <p>"d. Recommend continuing education/training programs for directors, assignment of</p>	
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		<p>tasks/projects to board committees, succession plan for the board members and senior officers, and remuneration packages for corporate and individual performance;"</p> <p>"f. Propose and plan relevant trainings for the members of the Board;"</p>	
2. Company has an orientation program for first time directors.	Compliant	<p>Please see GERI's New Manual on Corporate Governance</p> <p><a href="http://www.global-estate.ph/sites/default/files/ManualOnCorpGovernance/New%20Manual%20on%20Corporate%20Governance%202016.pdf">http://www.global-estate.ph/sites/default/files/ManualOnCorpGovernance/New%20Manual%20on%20Corporate%20Governance%202016.pdf</a></p>	
3. Company has relevant annual continuing training for all directors.	Compliant	<p>Section IV (D)(2)(h) of the Manual on Corporate Governance states that it is one of the duties and responsibilities of the Chairman in relation to the Board to:</p> <p>"h. Assure the availability of proper orientation for first-time directors and continuing training opportunities for all directors;"</p> <p>Please see below list of the trainings attended by the Board:</p>	



		<ul style="list-style-type: none"> <li>• Andrew L. Tan, Kevin Andrew L. Tan, Jesus B. Varela attended "Corporate Governance: Getting Ahead", Center for Training and Development, Inc., 23 November 2017</li> <li>• Lourdes T. Gutierrez-Alfonso, Monica T. Salomon, Alain A. Sebastian and Gerardo C. Garcia attended "Corporate Governance: Getting Ahead", Center for Training and Development, Inc., 09 November 2017</li> <li>• Wilbur L. Chan, attended "Corporate Governance Compliance Program", U.P. Law Center, 24 November 2017</li> </ul> <p>See also Letter/Advise to SEC on the Certificate of Completion for 2017 Corporate Governance Training for Directors and Officers.  <a href="http://www.global-estate.ph/node/152">http://www.global-estate.ph/node/152</a></p>	
<b>Recommendation 1.4</b>			
1. Board has a policy on board diversity.	Compliant	<p>Please see GERI's New Manual on Corporate Governance</p> <p><a href="http://www.global-estate.ph/sites/default/files/ManualOnCorpGovernance/New%20Manual%20on%20Corporate%20Governanc">http://www.global-estate.ph/sites/default/files/ManualOnCorpGovernance/New%20Manual%20on%20Corporate%20Governanc</a></p>	

e%202016.pdf

Section IV (B)(2) of the Manual on Corporate Governance states:

"2.The membership of the Board may be a combination of executive and non-executive directors (which include independent directors) in order that no director or small group of directors can dominate the decision-making process. Moreover, the Board should have a policy on board diversity which is a move to avoid groupthink and ensure that optimal decision-making is achieved. Board diversity policy includes diversity in gender, age, ethnicity, culture, skills, competence and knowledge."

The current Board is composed of seven (7) male directors and two (2) female directors.

**Recommendation 1.5**

1. Board is assisted by a Corporate Secretary.	Compliant	GERI's Corporate Secretary is Atty. Dominic V. Isberto. He was elected during the Organization Meeting conducted last 29 June 2017.  Please see Results of Organizational	
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		

		<p>Meeting of Board of Directors  <a href="http://www.global-estate.ph/sites/default/files/SECForm17-C/SEC%2017-C%2029%20June%202017%20Results%20of%20Organizational%20Meeting%20of%20BOD.PDF">http://www.global-estate.ph/sites/default/files/SECForm17-C/SEC%2017-C%2029%20June%202017%20Results%20of%20Organizational%20Meeting%20of%20BOD.PDF</a></p> <p>Atty. Isberto's profile is also contained in GERI's 2017 Annual Report (<a href="http://www.global-estate.ph/sites/default/files/SECForm17-A/SEC%2017-A%20GERI%202017%20Annual%20Report.pdf">http://www.global-estate.ph/sites/default/files/SECForm17-A/SEC%2017-A%20GERI%202017%20Annual%20Report.pdf</a>)</p> <p>Atty. Isberto is not a member of the Board of Directors. The members of the Board are likewise indicated in the Results of Organizational Meeting and GERI's 2017 Annual Report.</p>	
4. Corporate Secretary attends training/s on corporate governance.	Compliant	Atty. Dominic Isberto attended Corporate Governance Training Seminar "Corporate Governance: Getting Ahead" by the Center for Training and Development, Inc. on 09 November 2017	
<b>Recommendation 1/6</b>			
1. Board is assisted by a Compliance Officer.	Compliant	GERI's Compliance Officer is Ms. Lailani V. Villanueva. She was elected during the Organization Meeting conducted last 29 June 2017.	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant		
3. Compliance Officer is not a member of	Compliant		Please see Results of Organizational

<p>the board.</p>		<p>Meeting of Board of Directors  <a href="http://www.global-estate.ph/sites/default/files/SECForm17-C/SEC%2017-C%2029%20June%202017%20Results%20of%20Organizational%20Meeting%20of%20BOD.PDF">http://www.global-estate.ph/sites/default/files/SECForm17-C/SEC%2017-C%2029%20June%202017%20Results%20of%20Organizational%20Meeting%20of%20BOD.PDF</a></p> <p>Ms. Villanueva's profile is also contained in GERI's 2017 Annual Report (<a href="http://www.global-estate.ph/sites/default/files/SECForm17-A/SEC%2017-A%20GERI%202017%20Annual%20Report.pdf">http://www.global-estate.ph/sites/default/files/SECForm17-A/SEC%2017-A%20GERI%202017%20Annual%20Report.pdf</a>)</p> <p>As stated in Section IV (N)(2) of the Manual on Corporate Governance, "the Board shall appoint a Compliance Officer who shall have the rank of Vice President or an equivalent position with adequate stature and authority in the corporation."</p> <p>Currently, Ms. Villanueva holds the position of "First Vice President" which is considered of the same stature and authority as a Senior Vice President in the Company.</p> <p>Ms. Villanueva is not a member of the Board of Directors. The members of the Board are likewise indicated in the Results of Organizational Meeting and GERI's 2017 Annual Report.</p>	
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4. Compliance Officer attends training/s on corporate governance.	Compliant	Ms. Villanueva attended corporate governance training seminar entitled "Corporate Governance: Getting Ahead" by the Center for Training and Development, Inc. on 09 November 2017.	
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**Principle 2:** The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.

**Recommendation 2.1**

1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	<p>Section IV(H)(2)(h) of the Company's New Manual on Corporate Governance states that it is one of the duties and responsibilities of a director to "be knowledgeable of his fiduciary roles, responsibilities and accountabilities under the law, the Corporation's articles and by-laws, and other legal pronouncements and guidelines", and that "a director should act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Corporation and all shareholders".</p> <p>The Board performed their duties by acting through resolutions obtained in meetings such as but not limited to the annual stockholders' meeting, special board meetings, etc.</p>	
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**Recommendation 2.2**

1. Board oversees the development, review	Compliant	Section IV(G)(1) of the Company's	
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and approval of the company's business objectives and strategy.		New Manual on Corporate Governance states "the Board should oversee the development of and approve the Corporation's business objectives and strategy, and monitor their implementation, in order to sustain the Corporation's long-term viability and strength".	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant	<p>The Company's website provides all the current reports (SEC Form 17-C) submitted by the Company, thereby disclosing all the relevant actions of the Board for monitoring purposes.</p> <p><a href="http://www.global-estate.ph/secform17-C">http://www.global-estate.ph/secform17-C</a></p>	
<b>Supplement to Recommendation 2.2</b>			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	<p>As can be gleaned in the Company's website, it has been the Company's mission/vision to establish its position as the leading developer of master-planned fully integrated tourism estates in the Philippines catering to both the domestic and foreign markets.</p> <p><a href="http://www.global-estate.ph/missionvision">http://www.global-estate.ph/missionvision</a></p> <p>The vision and mission of the Corporation have remained the same since its incorporation in 1994. However, the entry of a new majority shareholder in 2011 and the</p>	

		<p>expansion of the business of the Company to include integrated residential, golf, and other leisure-related properties, and integrated tourism estates development, have created a need for the Company to revisit its vision and mission, with the end in view of contributing to the further growth and stability of the 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>Please see GERI's New Manual on Corporate Governance</p> <p><a href="http://www.global-estate.ph/sites/default/files/ManualOnCorpGovernance/New%20Manual%20on%20Corporate%20Governance%202016.pdf">http://www.global-estate.ph/sites/default/files/ManualOnCorpGovernance/New%20Manual%20on%20Corporate%20Governance%202016.pdf</a></p> <p>Section IV (G)(1) of the Manual on Corporate Governance provides the general responsibility of the Board as follows:</p> <p>"It shall be the Board's responsibility to foster the long-term success of the Corporation and secure its sustained competitiveness, profitability and fiduciary responsibility, in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders. The Board shall conduct itself with utmost honesty</p>	

and integrity in the discharge of its duties, functions and responsibilities.

"The Board should oversee the development of and approve the Corporation's business objectives and strategy, and monitor their implementation, in order to sustain the Corporation's long-term viability and strength.

"The Board should 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.

"The best measure of the Board's effectiveness is through an assessment process. Thus, 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.

"The Board should conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members and committees. Every three (3) years, the assessment should be supported by an external facilitator.



		<p>"The Board should have in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual directors, committees and such system should allow for a feedback mechanism from the shareholders."</p>	
<b>Recommendation 2.3</b>			
<p>1. Board is headed by a competent and qualified Chairperson.</p>	Compliant	<p>GERI's Chairman is Dr. Andrew L. Tan. As disclosed in the GERI's Annual Report, Dr. Tan has extensive experience in real estate.</p> <p>Please see page 30 of the Annual Report for a complete information on the qualifications and expertise of Dr. Tan.  <a href="http://www.global-estate.ph/sites/default/files/SECForm17-A/SEC%2017-A%20GERI%202017%20Annual%20Report.pdf">http://www.global-estate.ph/sites/default/files/SECForm17-A/SEC%2017-A%20GERI%202017%20Annual%20Report.pdf</a>)</p>	
<b>Recommendation 2.4</b>			
<p>1. Board ensures and adopts an effective succession planning program for directors, key officers and management.</p>	Compliant	<p>Section IV (G)(2)(b) of the New Manual on Corporate Governance states that it is one of the duties and functions of the Board to "adopt an effective succession planning program for the directors, key officers and management to ensure growth and a continued increase in the shareholders' value". Particularly</p>	
<p>2. Board adopts a policy on the retirement for directors and key officers.</p>	Compliant		

		under Section IV (L)(4)(d) of the said Manual, it is the Corporate Governance Committee's function to "recommend succession plan for the board members and senior officers, and remuneration packages for corporate and individual performance".	
<b>Recommendation 2.5</b>			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	Section IV(K)(1) and (2) of the New Manual on Corporate Governance states:  "1.The levels of remuneration of the Corporation should be sufficient to be able to attract and retain the services of qualified and competent directors and officers. A portion of the remuneration of executive directors may be structured or be based on corporate and individual performance. The Board should align the remuneration of key officers and board members with the long-term interests of the Corporation. It should formulate and adopt a policy specifying the relationship between remuneration and performance, which includes specific financial	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant		

		<p>and non-financial metrics to measure performance and set specific provisions for employees with significant influence on the overall risk profile of the corporation.</p> <p>"2.The Corporation may establish formal and transparent procedures for the development of a policy on executive remuneration or determination of remuneration levels for individual directors and officers depending on the particular needs of the Corporation. No director should participate in deciding on his remuneration."</p> <p>Per Section XIII(C)(3) of the New Manual on Corporate Governance, it states that "other information that shall always be disclosed includes remuneration (including stock options) of all directors and senior management corporate strategy, and off balance sheet transactions."</p> <p>GERI adopts a performance-based compensation scheme. The total annual compensation paid to the Five most highly compensated officers and all other directors and</p>	
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		<p>officers are disclosed in GERI's 2017 Annual Report.</p> <p>The Compensation of Directors and Executive Officers are disclosed on page 36 of the 2017 Annual Report. (<a href="http://www.global-estate.ph/sites/default/files/SECForm17-A/SEC%2017-A%20GERI%202017%20Annual%20Report.pdf">http://www.global-estate.ph/sites/default/files/SECForm17-A/SEC%2017-A%20GERI%202017%20Annual%20Report.pdf</a>)</p>	
<p>1. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.</p>	<p>Compliant</p>	<p>On September 23, 2011, the Company approved an Executive Stock Option Plan (ESOP) for key Company executives, directors and senior officers.. The purpose of the Plan is to enable the key Company executives, directors and senior officers who are largely responsible for its further growth and development to obtain an ownership interest in the Company, thereby encouraging long-term commitment to the Company.</p> <p>See page 36 of the 2017 Annual Report. (<a href="http://www.global-estate.ph/sites/default/files/SECForm17-A/SEC%2017-A%20GERI%202017%20Annual%20Report.pdf">http://www.global-estate.ph/sites/default/files/SECForm17-A/SEC%2017-A%20GERI%202017%20Annual%20Report.pdf</a>)</p> <p>See also GERI's ESOP Reports to the PSE detailing the number of stock options exercised and the remaining</p>	

		number of unexercised stock options as of January 31, 2018. <a href="http://www.global-estate.ph/node/151">http://www.global-estate.ph/node/151</a>	
<b>Recommendation 2.6</b>			
1. Board has a formal and transparent board nomination and election policy.	Compliant	GERI's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders are contained in the Company's New Manual on Corporate Governance. ( <a href="http://www.global-estate.ph/sites/default/files/ManualOnCorpGovernance/New%20Manual%20on%20Corporate%20Governance%202016.pdf">http://www.global-estate.ph/sites/default/files/ManualOnCorpGovernance/New%20Manual%20on%20Corporate%20Governance%202016.pdf</a> )  Pursuant to Section IV(L)(2) of the Company's Manual on Corporate Governance, "the Nomination Committee shall review, evaluate, pre-screen and shortlist all candidates nominated to become a member of the Board of Directors and other appointments requiring Board approval to ensure that candidates possess all the required qualifications, including whether candidates: (1) possess the knowledge, skills, experience, and particularly in the case of non-executive directors, independence	
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		

of mind given their responsibilities to the Board and in light of the entity's business and risk profile; (2) have a record of integrity and good repute; (3) have sufficient time to carry out their responsibilities; and (4) have the ability to promote a smooth interaction between board members, and none of the disqualifications and to assess the effectiveness of the Board's processes and procedures in the election or replacement of directors."

The Company's Information Statement also contains the procedure for nomination and election of Directors. ([http://www.global-estate.ph/sites/default/files/SECFORM20-15/Definitive%20Information%20Statement 0.pdf](http://www.global-estate.ph/sites/default/files/SECFORM20-15/Definitive%20Information%20Statement%200.pdf))

As contained on page 44 of GERI's New Manual on Corporation Governance, all shareholders are given the opportunity to nominate candidates to the Board of Directors.

**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</p>	<p>Compliant</p>	<p>As indicated on Page 19 of the New Manual on Corporate Governance, one of the functions and duties of the Board is to:</p>	
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infrequently occurring transactions.			
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	"I. Formulate and implement group-wide policy and system governing related party transactions and other unusual or infrequently occurring transactions, particularly those which pass certain thresholds of materiality, that would ensure the integrity and transparency of related party transactions between and among the Corporation and its parent company, joint ventures, subsidiaries, associates, affiliates, major stockholders, officers, and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board;"	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant	<p>Also note that under GERI's Annual Report (Item 2), GERI employees are required to promptly disclose any business and family-related transaction with the Company to ensure that potential conflicts of interest surfaces and are brought to the attention of management.</p> <p>See also note 23 of the Consolidated 2017 Audited Financial Statements of GERI, which was attached to 2017 Annual Report). (<a href="http://www.global-estate.ph/sites/default/files/SECForm17-A/SEC%2017-A%20GERI%202017%20Annual%20Report.pdf">http://www.global-estate.ph/sites/default/files/SECForm17-A/SEC%2017-A%20GERI%202017%20Annual%20Report.pdf</a>)</p>	

<b>Supplement to Recommendations 2.7</b>			
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.	Not Compliant		Considering the Company's relatively low risk profile and complexity of operations, the Board has not yet defined the threshold and categories for disclosure and approval of RPTs.
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.	Not Compliant		
<b>Recommendation 2.8</b>			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	Section IV (G)(2)(a) of the New Manual on Corporate Governance states that one of the duties of the Board is to "install a process of selection to 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 Corporation based on	



		<p>the evolving business environment and strategic direction, and to effectively participate and help secure objective, independent judgment on corporate affairs and to substantiate proper checks and balances. Appoint competent, professional, honest and highly-motivated management officers."</p> <p>The Management Team is composed of Ms. Lourdes T. Gutierrez as Managing Director, Atty. Monica T. Salomon as President, Ms. Lailani V. Villanueva as Chief Compliance Officer, and Jesus B. Varela as Chairman of the Audit Committee.</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>Section IV(G)(1) of the Company's New Manual on Corporate Governance states:</p> <p>"The Board should 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.</p> <p>"The best measure of the Board's effectiveness is through an assessment process. Thus, 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</p>	

		<p>competencies.</p> <p>"The Board should conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members and committees. Every three (3) years, the assessment should be supported by an external facilitator.</p> <p>"The Board should have in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual directors, committees and such system should allow for a feedback mechanism from the shareholders."</p>	
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**Recommendation 2.9**

<p>1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.</p>	<p>Compliant</p>	<p>Section IV (G)(2)(d) and (i) of the New Manual on Corporate Governance states that it is among the duties of the Board to:</p> <p>"d. Determine GERI's purpose, its vision, mission, strategic objectives, policies and procedures that would guide its activities, effectively monitoring management's performance and supervising the proper implementation of the same;</p>	
<p>2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.</p>	<p>Compliant</p>		

		<p>xxxx</p> <p>i. Identify key risk areas and key performance indicators and monitor these factors with due diligence to enable the Corporation to anticipate and prepare for possible threats to its operational and financial viability;"</p>	
<b>Recommendation 2.10</b>			
1. Board oversees that an appropriate internal control system is in place.	Compliant	As indicated on Section IV(1)(3) of the Manual on Corporate Governance, the minimum internal control mechanisms for the performance of the Board's oversight responsibility may include:	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	<p>a. Definition of the duties and responsibilities of the CEO who is ultimately accountable for the Corporation's organizational and operational controls;</p> <p>b. Selection of the person who possesses the ability, integrity and expertise essential for the position of CEO;</p> <p>c. Evaluation of proposed senior management appointments;</p>	

		<ul style="list-style-type: none"> <li>d. Selection and appointment of qualified and competent management officers;</li> <li>e. Oversee the implementation of the key control functions, such as risk management, compliance and internal audit; and</li> <li>f. Review of the Corporation's human resource policies, conflict of interest situations, compensation program for employees, and management succession plan.</li> </ul>	
<p>3. Board approves the Internal Audit Charter.</p>	<p>Compliant</p>	<p>Section IV (L)(5)(i) of the Manual on Corporate Governance states that it is one of the duties of the Audit Committee to:</p> <p>Recommend the approval of the Internal Audit Charter (IA Charter), which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the IA Charter.</p> <p>Please see below link on the Internal Audit Charter:</p>	

		<a href="http://www.global-estate.ph/sites/default/files/BoardCommittees/Internal%20Audit%20Charter.pdf">http://www.global-estate.ph/sites/default/files/BoardCommittees/Internal%20Audit%20Charter.pdf</a>	
<b>Recommendation 2.1.1</b>			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	Section IV (I)(1) of the Manual on Corporate Governance states:  The Corporation should have an adequate and effective internal control system and an enterprise risk management framework in the conduct of its business, taking into account its size, risk profile and complexity of operations.	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant	Section IV (L)(5) of the Manual on Corporate Governance states that it is one of the functions of the Audit Committee to:  Oversee GERI's financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation, and crisis management. This function shall include regular receipt from Management of information on risk exposures and risk management activities.	
<b>Recommendation 2.1.2</b>			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities	Compliant	Section IV(A) of the Manual on Corporate Governance states:	

and accountabilities in carrying out its fiduciary role.			
2. Board Charter serves as a guide to the directors in the performance of their functions.		<p>"The Board should have a Board Charter stating the roles, responsibilities and accountabilities of the Board. This serves as a guide for the directors on how to discharge their functions, and provides the standards for evaluating the performance of the Board. This should be publicly available and posted on the company's website."</p> <p>Please see below link on the Board Charter:</p>	
3. Board Charter is publicly available and posted on the company's website.	Compliant	<a href="http://www.global-estate.ph/sites/default/files/BoardOfDirectors/Board%20Charter_0.pdf">http://www.global-estate.ph/sites/default/files/BoardOfDirectors/Board%20Charter_0.pdf</a>	
<b>Additional Recommendation to Principle 2</b>			
1. Board has a clear insider trading policy.	Compliant	<p>The Corporation respects the proprietary ownership of trade secrets and observes the confidentiality of non-public information.</p> <p>A director should keep secure and confidential trade secrets and all non-public information acquired or learned by reason of his position. He should not reveal confidential information to unauthorized persons without authority of the Board.</p> <p>The Company's insider trading policy</p>	

may be viewed in its website. Please see below link:

<http://www.global-estate.ph/policy3>

**Principle 3:** Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.

**Recommendation 3.1**

1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.

Compliant

Information on all the board committees established by the company is contained in Section IV(L) of GERI's New Manual on Corporate Governance.

Section IV(L) of the Manual on Corporate Governance states:

"To aid in complying with the principles of good corporate governance and in the optimal performance of its functions, the Board may create such committees, as it may deem necessary.

"These committees are required to have Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting processes, resources and other relevant information. The Charters should provide the standards for evaluating the performance of the Committees. It

		<p>should also be fully disclosed on the company's website. "</p> <p>The Board Committees provided in the Manual on Corporate Governance are as follows:</p> <ol style="list-style-type: none"> <li>1. Executive Committee;</li> <li>2. Nomination Committee;</li> <li>3. Executive Compensation or Remuneration Committee;</li> <li>4. Corporate Governance Committee; and</li> <li>5. Audit Committee.</li> </ol> <p>The Company established the following Board Committees:</p> <ol style="list-style-type: none"> <li>1. Executive Committee</li> <li>2. Nomination Committee;</li> <li>3. Corporate Governance Committee; and</li> <li>4. Audit Committee</li> </ol>	
<b>Recommendation 3.2</b>			
<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>Section IV(L)(5) of the Manual on Corporate Governance states that "(t)he Board may create an Audit Committee to enhance its oversight capability over the Corporation's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulation."</p> <p>Among its functions include:</p>	



		<p>"n. Recommend to the Board the appointment, reappointment, removal and fees of the External Auditor, duly accredited by the Commission, who undertakes an independent audit of the Corporation, and provides an objective assurance on the manner by which the financial statements should be prepared and presented to the stockholders."</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 members of the Audit Committee are disclosed in SEC Form 17-C (Results of Organizational Meeting of Board of Directors) <a href="http://www.global-estate.ph/sites/default/files/SECForm17-C/SEC%2017-C%2029%20June%202017%20Results%20of%20Organizational%20Meeting%20of%20BOD.PDF">http://www.global-estate.ph/sites/default/files/SECForm17-C/SEC%2017-C%2029%20June%202017%20Results%20of%20Organizational%20Meeting%20of%20BOD.PDF</a></p> <p>The Audit Committee are currently composed of Jesus B. Varela as Chairman, and Atty. Cresencio Aquino and Kevin Andrew L. Tan as members. Messrs. Varela and Aquino are both Independent Directors while Mr. Tan is a regular director.</p> <p>Atty. Aquino was elected as Independent Director on February 15, 2018 to serve the unexpired term of Mr. Gerardo C. Garcia, who passed away on January 26, 2018.</p>	

3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	The qualifications of the members of the Audit Committee are indicated in pages 30-31 of GERI's 2017 Annual Report.	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	Provide information or link/reference to a document containing information on the Chairman of the Audit Committee	
<b>Supplement to Recommendation 3.2</b>			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	<p>Section IV(L)(5) of the Manual on Corporate Governance states among the functions of the Audit Committee:</p> <p>"o. Evaluate and determine the non-audit work, if any, of the External Auditor, and review periodically the non-audit fees paid to the External Auditor in relation to their significance to the total annual income of the external auditor and to the corporation's overall consultancy expenses. The committee shall disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Corporation's Annual Report and Annual Corporate Governance Report."</p> <p>The Company has engaged the services of Punongbayan &amp; Araullo</p>	

		<p>during the most recent calendar year.</p> <p>As stated on page 29 of GERI's 2017 Annual Report (SEC Form 17-A), the External Auditor performed the audit of the Company's financial statements and the services that are normally provided by the external auditors in connection with statutory and regulatory filings for the calendar year report of 2017, 2016, and 2015.</p> <p>No other assurance and related services have been rendered by the External Auditor to the Company other than the items discussed above.</p>	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Non-Compliant		There were no meetings and dialogues held between the Audit Committee and the External Audit team.
<b>Recommendation 3.3</b>			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	<p>Section IV(L)(4) of the Company's Manual on Corporate Governance states:</p> <p>"The Board may create a Corporate Governance Committee that should be tasked to assist the Board in the performance of its corporate governance responsibilities."</p> <p>Among its functions include</p>	

		<p>identifying and ensuring the quality of directors aligned with the company's strategic direction, to wit:</p> <p>"a. Oversee the implementation of the corporate governance framework and periodically reviews the said framework to ensure that it remains appropriate in light of material changes to the corporation's size, complexity and business strategy, as well as its business and regulatory environments;</p> <p>"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;</p> <p>"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."</p>	
<p>2. Corporate Governance Committee is composed of at least three members, <b>all of whom should be independent directors.</b></p>	<p>Non-compliant</p>		<p>The members of the Corporate Governance Committee are disclosed in SEC Form 17-C (Results of Organizational Meeting of Board of Directors) <a href="http://www.global-estate.ph/sites/default/files/SECForm17-C/SEC%2017-C%2029%20June%202017%20Results%20of">http://www.global-estate.ph/sites/default/files/SECForm17-C/SEC%2017-C%2029%20June%202017%20Results%20of</a></p>

			<p><a href="#">%20Organizational%20Meeting%20of%20BOD.PDF</a></p> <p>The Corporate Governance Committee is currently composed of Jesus B. Varela as Chairman, and Mr. Cresencio Aquino and Kevin Andrew L. Tan as members. Messrs. Varela and Aquino are both Independent Directors while Mr. Tan is a regular director.</p> <p>Atty. Aquino was elected as Independent Director on February 15, 2018 to serve the unexpired term of Mr. Gerardo C. Garcia, who passed away on January 26, 2018.</p>
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	The Chairman of the Corporate Governance Committee is Mr. Jesus B. Varela who is an Independent Director.	
<b>Recommendation 3.4</b>			
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.	Non-Compliant		The Company has no separate Board Risk Oversight Committee. The oversight of the Company's risk management system is included in the functions of the Audit Committee.
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Non-Compliant		Section IV(L)(5) of the Company's Manual on Corporate Governance states one of the Audit Committee's functions is to:
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Non-Compliant		"c. Oversee GERI's financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risks
4. At least one member of the BROC has	Non-		of the Corporation, and crisis

relevant thorough knowledge and experience on risk, and risk management.	Compliant		management. This function shall include regular receipt from Management of information on risk exposures and risk management activities."
<b>Recommendation 3.5</b>			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Non-compliant		The Company has not yet established a Related Party Transactions Committee.
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Non-compliant		The Company has not yet established a Related Party Transactions Committee.
<b>Recommendation 3.6</b>			
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	The functions of each of the Committee are enumerated in the Manual of Corporate Governance and the Committee Charters which are disclosed in the Company's website.	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant	<a href="http://www.global-estate.ph/boardcommittees">http://www.global-estate.ph/boardcommittees</a>	
3. Committee Charters were fully disclosed on the company's website.	Compliant		
<b>Principle 4:</b> 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.			
<b>Recommendation 4.1</b>			
1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing	Compliant	The attendance of the Board of Directors as of 31 December 2017 as filed with the SEC is disclosed in the Company's website:	

<p>conducted in accordance with the rules and regulations of the Commission.</p>		<p><a href="http://www.global-estate.ph/sites/default/files/OtherDislosures-Certifications/Certification%20on%20Attendance%20of%20Directors%2031%20December%202017.pdf">http://www.global-estate.ph/sites/default/files/OtherDislosures-Certifications/Certification%20on%20Attendance%20of%20Directors%2031%20December%202017.pdf</a></p>	
<p>2. The directors review meeting materials for all Board and Committee meetings.</p>	<p>Compliant</p>	<p>Please see below link on the</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>Company's current reports filed with the SEC which disclose discussion in the Board and Committee meetings:</p> <p><a href="http://www.global-estate.ph/secform17-C">http://www.global-estate.ph/secform17-C</a></p>	
<p><b>Recommendation 4.2</b></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>Section IV(B)(3) of the Manual on Corporate Governance states:</p> <p>"3. The non-executive directors of the Board should concurrently serve as directors 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 Corporation."</p> <p>Information on the directorships of GERI's directors in both listed and non-listed companies are disclosed in</p>	

		<p>GERI's 2017 Annual Report and 2107 Definitive Information Statement.</p> <p><a href="http://www.global-estate.ph/sites/default/files/SECForm20-1S/Definitive%20Information%20Statement_0.pdf">http://www.global-estate.ph/sites/default/files/SECForm20-1S/Definitive%20Information%20State ment_0.pdf</a></p>	
<b>Recommendation 4:3</b>			
<p>1. The Directors notify the company's Board before accepting a directorship in another company.</p>	<p>Non-compliant</p>		<p>Prior to the Company's New Manual on Corporate Governance filed in May 2017, the Company has not set a limit on the number of seats in other companies, which an individual director may hold simultaneously. Hence, previously, no notification was required to be submitted before accepting a directorship in another company. However, this requirement will be strictly implemented in view of Section IV(C)(1) of the Company's New Manual on Corporate Governance.</p>
<b>Optional: Principle 4</b>			
<p>1. Board of directors meet at least six times during the year.</p>	<p>Compliant</p>	<p>In 2017, GERI's Board of Directors had a total of 20 meetings.</p> <p>In compliance with SEC Memo Circular No. 1, Series of 2014 and in relation to Memo Circular no. 5 Series of 2013, GERI submitted Letter-Certification on Attendance of Directors held for 2017.</p> <p>See: <a href="http://www.global-estate.ph/sites/default/files/OtherDis">http://www.global-estate.ph/sites/default/files/OtherDis</a></p>	



		<a href="#">closures-Certifications/Certification%20on%20Attendance%20of%20Directors%2031%20December%202017.pdf</a>	
2. Company requires as minimum quorum of at least 2/3 for board decisions.	Non-compliant		Article III, Section 6, of the Amended By-Laws of the Corporation provides that a majority of the number of directors as fixed in the Articles of Incorporation shall constitute a quorum for the transaction of corporate business, while every decision of at least a majority of the directors present at a meeting at which a quorum is present shall be valid as a corporate act, except for the election of officers which requires the vote of a majority of all the members of the Board.
<b>Principle 5:</b> The board should endeavor to exercise an objective and independent judgment on all corporate affairs			
<b>Recommendation 5.1</b>			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Non-compliant		The Company has two (2) independent directors which is still compliant under the Securities Regulation Code (SRC) and the rules and regulations of the SEC requiring a company to have at least 20% of the number of directors [i.e. nine (9) directors in the Company's case] or two (2), whichever is lower, but in no case less than two.
<b>Recommendation 5.2</b>			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	In compliance with SEC Notice dated 20 October 2006, as amended by SEC Memorandum Circular No. 5, Series of 2017, GERI's Independent	

		<p>Directors are required to submit a Certificate of Qualification certifying that they possess all the qualifications and none of the disqualification to hold the position of Independent Director.</p> <p>GERI's 2017 Definitive Information Statement likewise provide:</p> <p>The Nomination Committee determined that all the nominees for regular and independent directors have all the qualifications and none of the disqualifications of a director.</p>	
<b>Supplement to Recommendation 5.2</b>			
<p>1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.</p>	<p>Compliant</p>	<p>Per Company's Code of Business Conduct and Ethics, a director should conduct fair business transactions with the Company and ensure that his personal interest does not bias, conflict, or prejudice Board decisions.</p> <p>In view of the above, Company has no shareholder agreements, by-laws provisions or other arrangements that constrain the directors' ability to vote independently.</p>	
<b>Recommendation 5.3</b>			
<p>1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).</p>	<p>Compliant</p>	<p>The number of years for which GERI's IDs have served as such are disclosed in GERI's 2017 Definitive Information Statement (see Pages 8 and 14).</p>	

<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>Section IV(B)(6) of the Manual on Corporate Governance states:</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>"6. The Board's independent directors should serve for a maximum cumulative term of nine (9) years. After which, the independent director should be perpetually barred from reelection as such in the Corporation, but may continue to qualify for nomination and election as a non-independent director. In the instance that the Corporation wants to retain an independent director who has served for nine years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting."</p> <p>Mr. Jesus B. Varela was first elected as an independent director in June 2016. Mr. Cresencio P. Aquino, on the other hand, was first elected as an independent director in 2010 to 2012. Mr. Aquino was re-elected as Independent Director on 15 February 2018 to serve the unexpired term of Mr. Gerardo C. Garcia, who passed away on 26 January 2018. Both Messrs. Varela and Garcia have not exceeded the term limits for independent director as prescribed under SEC Memorandum Circular No. 9 Series of 2011 as revised by SEC</p>	

**Recommendation 5.4**

<p>1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.</p>	<p>Non-Compliant</p>		<p>GERI's Chairman and CEO is Dr. Andrew L. Tan.</p>
<p>2. The Chairman of the Board and Chief Executive Officer has clearly defined responsibilities.</p>	<p>Non-Compliant</p>		<p>Art. IV, Sec. 2, of Amended By-Laws of the Company provides that the Chairman shall also be the CEO and his main responsibility is to define the strategic vision of the Company and align its operations to said vision. He guides the Board in formulating the objectives of the Company, and assists in establishing the operating policies and developing the means to achieve the objectives.</p> <p>Significantly, the administration and direction of the day-to-day affairs of the Corporation are reposed in the President, per Art. IV, Sec. 4, of the Amended By-Laws. The President has the general supervision and management of the business affairs and property of the Company, and ensures that the administrative and operational policies are carried out under his supervision and control. The President is also a director of the Company and, as such, is able to provide the Board with timely and first-hand feedback on the effectiveness of the policies that the Board adopts.</p> <p>Thus, notwithstanding, that the roles of Chairman and CEO are assumed by the same person, the concentration of the</p>

			<p>administrative functions in the person of the President ensures that the Board gets the benefit of independent views in formulating, evaluating, and assessing the effectiveness of the policies of the Company.</p>
<b>Recommendation 5.5</b>			
<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>The Chairman of the Board, Dr. Andrew L. Tan, is not an independent director.</p> <p>Section IV(D)(4) and (5) of the Manual on Corporate Governance state:</p> <p>"4. If the positions of Chairman and CEO are unified, the proper checks and balances should be laid down to ensure that the Board gets the benefit of the independent views and perspectives. The Board should 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.</p> <p>"5. The functions of the lead director include, among others, the following:</p> <p>a. Serve as an intermediary between the Chairman and the other directors when necessary;</p>	

		<p>b. Convene and chair meetings of the non-executive directors; and</p> <p>c. Contribute to the performance evaluation of the Chairman, as required."</p> <p>The Board has yet to designate a lead director among the two independent directors of the Company.</p>	
<b>Recommendation 5.6</b>			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	Per Company's Code of Business Conduct and Ethics, a director should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on his part, a director should fully and immediately disclose it and should not participate in the decision-making process, or should seriously consider resigning if there exists a continuing material conflict of interest.	
<b>Recommendation 5.7</b>			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	Non-compliant		<p>Section IV(B)(4) of the Manual on Corporate Governance states:</p> <p>"4. The non-executive directors should have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances</p>
2. The meetings are chaired by the lead independent director.	Non-compliant		

			are in place within the corporation. The meetings should be chaired by the lead independent director."  No meeting was held in 2017.
<b>Optional: Principle 5</b>			
1. None of the directors is a former CEO of the company in the past 2 years.	Compliant	GERI's CEO for the past 2 years is Dr. Andrew L. Tan.	
<b>Principle 6:</b> 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.			
<b>Recommendation 6.1</b>			
1. Board conducts an annual self-assessment of its performance as a whole.	Compliant	Section IV (G) of the Manual on Corporate Governance state, among others:  "The best measure of the Board's effectiveness is through an assessment process. Thus, 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."  "The Board should conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members and committees. Every three (3) years, the assessment should be supported by an external facilitator."	
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		

		<p>Board performs a self-evaluation measured against the financial performance of the Company and the New Manual on Corporate Governance.</p> <p>Audit Committee conducts self-annual evaluation in compliance with SEC Circ. No. 4 S. 2012</p>	
5. Every three years, the assessments are supported by an external facilitator.	Non-compliant		The Company has not yet obtained the assistance and support of an external facilitator. However, this will be achieved by the Company by obtaining assistance of an external facilitator every 3 years in order to measure the Board's effectiveness.
<b>Recommendation 6.2</b>			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	<p>Section IV(G)(1) of the New Manual on Corporate Governance provides:</p> <p>The best measure of the Board's effectiveness is through an assessment process. Thus, 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.</p> <p>The Board should conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members and</p>	
2. The system allows for a feedback mechanism from the shareholders.	Compliant		



		<p>committees. Every three (3) years, the assessment should be supported by an external facilitator.</p> <p>The Board should have in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual directors, committees and such system should allow for a feedback mechanism from the shareholders.</p> <p>Feedback mechanism from the shareholders is also available thru:</p> <ol style="list-style-type: none"> <li>1. Open Forum during the Annual Stockholder's Meeting</li> <li>2. GERI's website where the company's Investor Relations or the Customer Service contact information are available.</li> </ol>	
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**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**

<p>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.</p>	<p>Compliant</p>	<p>GERI's Code of Business Conduct and Ethics is available thru its website: <a href="http://www.global-estate.ph/codeofbusiness">http://www.global-estate.ph/codeofbusiness</a></p>	
<p>2. The Code is properly disseminated to the</p>	<p>Compliant</p>	<p>Copies of the Code of Business</p>	

Board, senior management and employees.		Conduct and Ethics are disseminated to the Board, all senior management and employees. The contents thereof are explained to new employees as part of their orientation.	
3. The Code is disclosed and made available to the public through the company website.	Compliant	<a href="http://www.global-estate.ph/codeofbusiness">http://www.global-estate.ph/codeofbusiness</a>	
<b>Supplement to Recommendation 7.1</b>			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Compliant	The Company's policy and procedure on curbing and penalizing bribery is available at:  <a href="http://www.global-estate.ph/codeofbusiness">http://www.global-estate.ph/codeofbusiness</a>  Moreover, the Company, through its Human Resources Division, issued a memo on 22 December 2017 entitled "Reiteration of Company Policy on Receiving Gifts from Supplier/Contractor".	
<b>Recommendation 7.2</b>			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	The Company implements and monitors compliance through its Human Resource Division, with the support of the Division Heads who are tasked with cascading Company policies to the employees and monitoring their adherence to the policies.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant		
<b>Disclosure and Transparency</b>			

**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>Prior to the Annual Stockholders Meeting, the Company distributes to its shareholders the Information Statement, Audited Financial Statements and Management Report, Annual, Quarterly and Current Reports of the Company.</p> <p>The Company website discloses the said reports in the link below:</p> <p><a href="http://www.global-estate.ph/node/35">http://www.global-estate.ph/node/35</a></p>	
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**Supplement to Recommendations 8.1**

<p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.</p>	<p>Compliant</p>	<p>In accordance with the implementing Rules and Regulations of the Securities Regulation Code, the Company discloses its audited consolidated financial statements as part of the annual report within 105 days after the end of the fiscal year and its interim reports within 45 days after the end of each of the first three (3) quarters of each fiscal year.</p> <p>The Company filed its consolidated financial statements on 02 April 2018, which was 92 days after the end of fiscal year, while the first quarter report was filed on 15 May 2018, which was 45 days after the end of</p>	
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		the quarter.	
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.	Non-compliant		<p>The Company's Annual Report does not disclose in particular the following:</p> <ol style="list-style-type: none"> <li>1. principal risks to minority shareholders associated with the identity of the company's controlling shareholders;</li> <li>2. cross-holdings among company affiliates; and</li> <li>3. any imbalances between the controlling shareholders' voting power and overall equity position in the company.</li> </ol> <p>However, the Annual Report discloses the degree of ownership concentration, particularly the security ownership of certain beneficial owners and management.</p>
<b>Recommendation 8.2</b>			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	Section XI(D) of the Manual on Corporate Governance states:	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	"D. The Corporation should have a policy requiring all directors and officers to disclose/report to the corporation any dealings in the corporation's shares within three (3) business days."	
<b>Supplement to Recommendation 8.2</b>			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes	Compliant	The Company discloses in its website the following disclosures:	
		<ul style="list-style-type: none"> <li>• Public Ownership Report</li> </ul>	

<p>the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).</p>		<p><a href="http://www.global-estate.ph/node/153">http://www.global-estate.ph/node/153</a></p> <ul style="list-style-type: none"> <li>• Foreign Ownership Report</li> </ul> <p><a href="http://www.global-estate.ph/node/150">http://www.global-estate.ph/node/150</a></p> <ul style="list-style-type: none"> <li>• List of Top 100 Stockholders</li> </ul> <p><a href="http://www.global-estate.ph/node/209">http://www.global-estate.ph/node/209</a></p> <ul style="list-style-type: none"> <li>• Group Corporate Structure</li> </ul> <p><a href="http://www.global-estate.ph/groupcorpstructure">http://www.global-estate.ph/groupcorpstructure</a></p>	
<b>Recommendation 8.3</b>			
<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>	Compliant	<p>GERI's directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended are available in GERI's 2017 Annual Report and 2017 Definitive Information Statement.</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>	Compliant	<p>GERI's key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended are</p>	

available in GERI's 2017 Annual Report.

**Recommendation 8.4**

1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.

Compliant

Section IV(K)(1) and (2) of the Company's Manual on Corporate Governance state:

2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.

Compliant

"1. The levels of remuneration of the Corporation should be sufficient to be able to attract and retain the services of qualified and competent directors and officers. A portion of the remuneration of executive directors may be structured or be based on corporate and individual performance. The Board should align the remuneration of key officers and board members with the long-term interests of the Corporation. It should formulate and adopt a policy specifying the relationship between remuneration and performance, which includes specific financial and non-financial metrics to measure performance and set specific provisions for employees with significant influence on the overall risk profile of the corporation.

"2. The Corporation may establish formal and transparent procedures for the development of a policy on executive remuneration or determination of remuneration levels for individual directors and officers

		<p>depending on the particular needs of the Corporation. No director should participate in deciding on his remuneration."</p>	
<p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p>	<p>Compliant</p>	<p>For executive remuneration, the Annual Report of the Company states:</p> <p>"The Company adopts a performance-based compensation scheme. The total annual compensation of the President and top four highly compensated executives amounted to Php25.7 million in 2017 and Php24.1 million in 2016. The projected total annual compensation for the current year is Php28.1 million.</p> <p>"The total annual compensation paid to all senior personnel from AVP and up are all payable in cash. The total annual compensation includes the basic salary and 13th month pay.</p> <p>"The Company has no other arrangement with regard to the remuneration of its existing officers aside from the compensation received as herein stated."</p> <p>On the other hand, the Directors receive a per diem per attendance at board meetings.</p>	

		<p>In 2011, the Board of Directors of the Company approved an Executive Stock Option Plan. The purpose of the Plan is to enable the key Company executives, directors and senior officers who are largely responsible for its further growth and development to obtain an ownership interest in the Company, thereby encouraging long-term commitment to the Company.</p>	
<b>Recommendation 8.5</b>			
<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>Section XI (H) of the Manual on Corporate Governance:</p> <p>"The Corporation should disclose its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance. The material or significant RPTs reviewed and approved during the year should be disclosed in its Annual Corporate Governance Report."</p> <p>GERI's Related Party Transaction Policy is also available in the company's website:  <a href="http://www.global-estate.ph/policy2">http://www.global-estate.ph/policy2</a></p>	
<p>2. Company discloses material or significant RPTs reviewed and approved during the year.</p>	<p>Compliant</p>	<p>Information on RPTs of the Company can be found in Note 23 of the Audited Financial Statements. Please see company website link below:</p>	



<http://www.global-estate.ph/sites/default/files/SECForm17-A/SEC%2017-A%20GERI%202017%20Annual%20Report.pdf>

**Supplement to Recommendation 8.5**

1. Company requires directors to disclose their interests in transactions or any other conflict of interests.

Compliant

Section IV(H)(2)(a) of the Manual on Corporate Governance states:

"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 director who has a continuing material conflict of interest should seriously consider resigning from his position.

"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."

GERI's Conflict of Interest Policy is

		also available in the company's website:  <a href="http://www.global-estate.ph/policy4">http://www.global-estate.ph/policy4</a>	
<b>Optional Recommendation 8.5</b>			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	Compliant	Information on RPTs of the Company can be found in Note 23 of the Audited Financial Statements. Please see company website link below:  <a href="http://www.global-estate.ph/sites/default/files/SECFORM17-A/SEC%2017-A%20GERI%202017%20Annual%20Report.pdf">http://www.global-estate.ph/sites/default/files/SECFORM17-A/SEC%2017-A%20GERI%202017%20Annual%20Report.pdf</a>	
<b>Recommendation 8.6</b>			
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	Section XI(I) of the Company's Manual on Corporate Governance states:  "The Corporation should make a full, fair, accurate and timely disclosure to the public of every material fact or event that occurs, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders. Moreover, the Board of the offeree company should appoint an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets."	

2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Non-compliant		The Board has yet to appoint an independent party to evaluate the fairness of transaction price on the acquisition or disposal of assets.
<b>Supplement to Recommendation 8.6</b>			
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.	Non-compliant		The Company is not aware of any shareholder agreement or similar arrangement which may impact on the control, ownership and strategic direction of the Company,
<b>Recommendation 8.7</b>			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	Please see below 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	<a href="http://www.global-estate.ph/manualoncorpgov">http://www.global-estate.ph/manualoncorpgov</a>	
3. Company's MCG is posted on its company website.	Compliant		
<b>Supplement to Recommendation 8.7</b>			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	Please see below link of the stamped received copy by the SEC of the Manual on Corporate Governance.  <a href="http://www.global-estate.ph/sites/default/files/ManualOnCorpGovernance/New%20Manual%20on%20Corporate%20Governance%202016.pdf">http://www.global-estate.ph/sites/default/files/ManualOnCorpGovernance/New%20Manual%20on%20Corporate%20Governance%202016.pdf</a>	

		Per PSE Disclosure Form 17-18, the Company submitted its New Manual on Corporate Governance to PSE on 01 June 2017.	
<b>Optional: Principle 8</b>			
1. Does the company's Annual Report disclose the following information:			
a. Corporate Objectives	Compliant	Please see Item 1 of the Annual Report as of 31 December 2017	
b. Financial performance indicators	Compliant	Please see Item 6 of the Annual Report as of 31 December 2017	
c. Non-financial performance indicators	Compliant	Please see Item 6 of the Annual Report as of 31 December 2017	
d. Dividend Policy	Compliant	Please see Item 5 of the Annual Report as of 31 December 2017	
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant	Please see Item 9 of the Annual Report as of 31 December 2017	
f. Attendance details of each director in all directors meetings held during the year	Compliant	Please see Item 13 of the Annual Report as of 31 December 2017	
g. Total remuneration of each member of the board of directors	Compliant	Please see Item 10 of the Annual Report as of 31 December 2017	
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance	Compliant	Please see Item 6 of the Annual Report on "Management's Discussion and Analysis of Results of Operations	

and where there is non-compliance, identifies and explains reason for each such issue.		and Financial Conditions"	
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	Compliant	Please see Item 1 of the Annual Report as of 31 December 2017	
4. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).	Compliant	Please see Item 1 of the Annual Report on "Risk Factors Relating to the Company"	

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

**Recommendation 9.1**

1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	Section IV(L)(5) of the Company's Manual on Corporate Governance states:  "The Audit Committee should have a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditor. The appointment, reappointment, removal and fees of the external auditor should be recommended by the Audit Committee, approved by the Board and ratified by the shareholders. For removal of the external auditor, the reasons for removal or change should be	
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		<p>disclosed to the regulators and the public through the company website and required disclosures.</p> <p>"The Audit Committee Charter should include the Audit Committee's responsibility on assessing the integrity and independence of external auditors and exercising effective oversight to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. The Charter should also contain the Audit Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis."</p> <p>For a more detailed discussion, please see below link of the Company website on the Audit Committee Charter:</p> <p><a href="http://www.global-estate.ph/auditcommittee">http://www.global-estate.ph/auditcommittee</a></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>Stockholders representing 83.52% of the total subscribed and outstanding capital stock of the Company ratified reappointment of Punongbayan &amp; Araullo as the company's external</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>auditor for the fiscal year ending 2017.</p> <p>Minutes of the 2017 Annual Stockholders Meeting is available in the Company's website.  <a href="http://www.global-estate.ph/sites/default/files/MinutesStockholdersMeetings/Minutes%20of%20the%20Annual%20Shareholders%20Mtg%20of%20GERI%202017_0.pdf">http://www.global-estate.ph/sites/default/files/MinutesStockholdersMeetings/Minutes%20of%20the%20Annual%20Shareholders%20Mtg%20of%20GERI%202017_0.pdf</a></p>	
<b>Supplement to Recommendation 9.1</b>			
<p>1. Company has a policy of rotating the lead audit partner every five years.</p>	<p>Compliant</p>	<p>Item 8 of the Annual Report for 2017 states:</p> <p>"In compliance with SEC Memorandum Circular No. 8, Series of 2003, and the Company's Manual of Corporate Governance, which require that the Company's external auditor be rotated or the handling partner changed every five (5) years or earlier, the Company's Board of Directors approved, on June 29, 2017, the designation of Punongbayan and Araullo as the external auditor for the audit of the financial statements of the Company for the year ending 31 December 2017.</p> <p>"For the years 2011 to 2015, the partner designated is Mr. Nelson Dinio while for the year 2016 to 2020,</p>	

		the partner designated is Mr. Renan Piamonte, both of whom are Audit and Assurance partners of Punongbayan and Araullo."	
<b>Recommendation 9.2</b>			
1. Audit Committee Charter includes the Audit Committee's responsibility on: <ul style="list-style-type: none"> <li>i. assessing the integrity and independence of external auditors;</li> <li>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</li> <li>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</li> </ul>	Compliant	Please see below link to the Audit Committee Charter:  <a href="http://www.global-estate.ph/auditcommittee">http://www.global-estate.ph/auditcommittee</a>	
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant	Please see below link to the Audit Committee Charter:  <a href="http://www.global-estate.ph/auditcommittee">http://www.global-estate.ph/auditcommittee</a>	
<b>Supplement to Recommendations 9.2</b>			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Compliant	Please see below link to the Audit Committee Charter:  <a href="http://www.global-estate.ph/auditcommittee">http://www.global-estate.ph/auditcommittee</a>	



2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	Please see below link to the Audit Committee Charter:  <a href="http://www.global-estate.ph/auditcommittee">http://www.global-estate.ph/auditcommittee</a>	
<b>Recommendation 9.3</b>			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	Item 8 of the Annual Report states:  "For the audit of the registrant's financial statements and services that are normally provided by the external auditors in connection with statutory and regulatory filings for the calendar year report of 2017, 2016, and 2015, fee was approximately Php1.294 million, Php1.232 million, and Php1.10 million, respectively.  "No other assurance and related services have been rendered by the external auditors to the registrant other than the items discussed above."	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	Compliant	Section IV(L)(5) states as one of the functions of the Audit Committee is to:  "Evaluate and determine the non-audit work, if any, of the External Auditor, and review periodically the non-audit fees paid to the External Auditor in relation to their significance to the total annual income of the external auditor and	

		<p>to the corporation's overall consultancy expenses. The committee shall disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Corporation's Annual Report and Annual Corporate Governance Report."</p>	
<b>Supplement to Recommendation 9.3</b>			
<p>1. Fees paid for non-audit services do not outweigh the fees paid for audit services.</p>	<p>Compliant</p>	<p>Item 8 of the Annual Report states:</p> <p>"For the audit of the registrant's financial statements and services that are normally provided by the external auditors in connection with statutory and regulatory filings for the calendar year report of 2017, 2016, and 2015, fee was approximately Php1.294 million, Php1.232 million, and Php1.10 million, respectively.</p> <p>"No other assurance and related services have been rendered by the external auditors to the registrant other than the items discussed above."</p>	
<b>Additional Recommendation to Principle 9</b>			
<p>1. Company's external auditor is duly accredited by the SEC under Group A category.</p>	<p>Compliant</p>	<p>1. Name of audit engagement partner: <b>Renan A. Piamonte</b>  2. Accreditation number: <b>Partner - No. 1363-AR-1; Firm - No. 0002-FR-5</b>  3. Date Accredited: <b>Partner -</b></p>	

		<p><b>March 2, 2017; Firm - March 27, 2018</b></p> <p>4. Expiry date of accreditation: <b>Partner - March 1, 2020; Firm - March 26, 2021</b></p> <p>5. Name, address, contact number of the audit firm: <b>Punongbayan and Araullo; 20th Floor, Tower 1, The Enterprise Center, 6766 Ayala Avenue, Makati City; 988-2288</b></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).	Compliant	The firm of Punongbayan and Araullo has not been subjected to SOAR yet. This year 2018 will be the first year SEC will do SOAR, and the firm agrees to be subjected to SOAR.	
<b>Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.</b>			
<b>Recommendation 10.1</b>			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Compliant	<p>Section XII (Sustainability and Social Responsibility) of the Company's Manual on Corporate Governance states:</p> <p>"A. The Corporation 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</p>	

		<p>balanced development.</p> <p>"B. The Corporation should recognize and place an importance on the interdependence between business and society, and promote a mutually beneficial relationship that allows the Corporation to grow its business, while contributing to the advancement of the society where it operates."</p>	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	<p>The Company's Corporate Social Responsibility measures are also available at its website:  <a href="http://www.global-estate.ph/corpsocialresp">http://www.global-estate.ph/corpsocialresp</a></p>	
<p><b>Principle 11:</b> 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.</p>			
<p><b>Recommendation 11-1</b></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.	Compliant	<p>Listed below are the various modes of communication used by the Company to disseminate information between employees and management or the Company and its stockholders:</p> <ul style="list-style-type: none"> <li>• Bulletin boards,</li> <li>• Newsletters</li> <li>• Magazines</li> <li>• Electronic mail newsletters or messages</li> <li>• Memos</li> </ul>	

		<ul style="list-style-type: none"> <li>• Reports</li> <li>• Corporate filings filed with the Securities and Exchange Commission and the Philippine Stock Exchange</li> </ul> <p>Also, the Company has a company website as communication channel used by the Company in which all its public, material and relevant information are disclosed:</p> <p><a href="http://www.global-estate.ph/">http://www.global-estate.ph/</a></p>	
<b>Supplemental to Principle 11</b>			
1. Company has a website disclosing up-to-date information on the following:		Links of the following information are available at:	
a. Financial statements/reports (latest quarterly)	Compliant	<a href="http://www.global-estate.ph/node/35">http://www.global-estate.ph/node/35</a>	
b. Materials provided in briefings to analysts and media	Compliant	<a href="http://www.global-estate.ph/news">http://www.global-estate.ph/news</a>	
c. Downloadable annual report	Compliant	<a href="http://www.global-estate.ph/sites/default/files/SECForm17-A/SEC%2017-A%20GERI%202017%20Annual%20Report.pdf">http://www.global-estate.ph/sites/default/files/SECForm17-A/SEC%2017-A%20GERI%202017%20Annual%20Report.pdf</a>	
d. Notice of ASM and/or SSM	Compliant	<a href="http://www.global-estate.ph/node/41">http://www.global-estate.ph/node/41</a>	
e. Minutes of ASM and/or SSM	Compliant	<a href="http://www.global-estate.ph/node/42">http://www.global-estate.ph/node/42</a>	

f. Company's Articles of Incorporation and By-Laws	Compliant	<a href="http://www.global-estate.ph/articleofInc">http://www.global-estate.ph/articleofInc</a>	
<b>Additional Recommendation to Principle 11</b>			
1. Company complies with SEC-prescribed website template.	Compliant	<a href="http://www.global-estate.ph/">http://www.global-estate.ph/</a>	
<b>Internal Control System and Risk Management Framework</b>			
<b>Principle 12:</b> 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.			
<b>Recommendation 12.1</b>			
1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	<p>The Audit Committee assists the Board in fulfilling its oversight responsibilities for the financial reporting process, internal control, risk management, internal audit, external audit, management and legal, tax and regulatory compliance while the Management is responsible for the implementation of the internal control system of the Company.</p> <p>The Audit Committee reviews periodically the adequacy and effectiveness of the internal control system of the Company and the criteria used for assessment.</p>	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	The Board and Management team remain firmly committed to the effective management and mitigation of strategic operational, financial and compliance related risks throughout the organization.	

		<p>The directors have reviewed the effectiveness of the risk management system and ensure the adequacy.</p> <p>The risk management system is reviewed annually.</p> <p>Please see Item 1 of the Annual Report on "Risk Factors Relating to the Company"</p>	
<b>Supplement to Recommendations 12.1</b>			
<p>1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.</p>	Compliant	<p>The Audit Committee assists the Board in fulfilling its oversight responsibilities for the financial reporting process, internal control, risk management, internal audit, external audit, management and legal, tax and regulatory compliance while the Management is responsible for the implementation of the internal control system of the Company.</p> <p>There is an ongoing review on the effectiveness of the internal control system.</p>	
<b>Recommendation 12.2</b>			
<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>	Compliant	Internal Audit is in-house.	

<b>Recommendation 12.3</b>			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Non-compliant		The Company has no Chief Audit Executive (CAE) appointed by the Board. However, the internal audit functions are exercised by the in-house internal auditor, such as but not limited to: 1. Evaluating the reliability and integrity of financial information. 2. Evaluating the effectiveness and efficiency of operations and compliance with established policies and procedures. 3. Evaluating the means of safeguarding assets and verifying the existence of such assets. 4. Evaluating specific operations at the request of the Board or management, as appropriate. 5. Reporting the internal audit performance.
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.	Non-compliant		
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Non-compliant		
<b>Recommendation 12.4</b>			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	The Audit Committee assists the Board in fulfilling its oversight responsibilities for risk management.	
<b>Supplement to Recommendation 12.4</b>			
1. Company seeks external technical support in risk management when such competence is not available internally.	Compliant	The Board may seek external professional or technical opinion or advice as it deems necessary in connection with any matter which is pending before the Board, and which opinion or advice the members may consider in their individual assessment and evaluation	



		of the issues.	
<b>Recommendation 12.5</b>			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Non-compliant		The Company has no Chief Risk Officer (CRO). However, The Board and Management team remain firmly committed to the effective management and mitigation of strategic operational, financial and compliance related risks throughout the organization. The directors have reviewed the effectiveness of the risk management system and ensure the adequacy. The risk management system is reviewed annually.  The Audit Committee assists the Board in fulfilling its oversight responsibilities for risk management.
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Non-compliant		
<b>Additional Recommendation to Principle 12</b>			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Non-compliant		In the Company's Annual Corporate Governance Report, a statement that the directors have reviewed the effectiveness of the risk management system and ensure the adequacy; and that the risk management system is reviewed annually.
<b>Cultivating a Synergic Relationship with Shareholders</b>			
<b>Principle 13:</b> The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
<b>Recommendation 13.1</b>			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	Section VII of the Company's Manual on Corporate Governance discloses the basic shareholder rights	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Please see below link:	

		<a href="http://www.global-estate.ph/sites/default/files/ManualOnCorpGovernance/New%20Manual%20on%20Corporate%20Governance%202016.pdf">http://www.global-estate.ph/sites/default/files/ManualOnCorpGovernance/New%20Manual%20on%20Corporate%20Governance%202016.pdf</a>	
<b>Supplement to Recommendation 13.1</b>			
1. Company's common share has one vote for one share.	Compliant	<p>Article V, Section 6, of the By-Laws of the Company provides:</p> <p>"Each share of stock entitles to one vote the person in whose name it is registered in the books of the Company, provided the share has not been declared delinquent."</p>	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	The Company has 10,986,000,000 common shares outstanding as of 30 April 2018. Each of the common shares is entitled to one (1) vote with respect to all matters to be taken up during the Annual Shareholders' Meeting.	
3. Board has an effective, secure, and efficient voting system.	Compliant	<p>Article V, Section 7, of the By-Laws provides:</p> <p>"All shareholders have cumulative voting rights with respect to the election of the members of the Board of Directors of the Company. Cumulative voting entitles each shareholder to cast the vote to which the number of shares he owns entitles him for as many persons as the number of directors to be elected</p>	

multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he may see fit, provided, that the whole number of votes cast by him shall not exceed the number of shares owned by him multiplied by the whole number of directors to be elected."

This is likewise indicated in Item 19 of GERI's 2017 Definitive Information Statement. [http://www.global-estate.ph/sites/default/files/SECFORM 20-1S/Definitive%20Information%20Statement 0.pdf](http://www.global-estate.ph/sites/default/files/SECFORM%20-1S/Definitive%20Information%20Statement%200.pdf)

Section VII (B)(1) of the new Manual on Corporate Governance also provides:

- a. Shareholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code.
- b. Cumulative voting shall be used in the election of directors.
- c. A director shall not be removed without cause if it will deny minority shareholders

representation in the Board.

d. Shareholders are encouraged to participate when given sufficient information prior to voting on fundamental corporate changes such as:

i. Amendments to the Articles of Incorporation and By-Laws of the Corporation;

ii. the authorization on the increase in authorized capital stock; and

iii. extraordinary transactions, including the transfer of all or substantially all assets that in effect result in the sale of the Corporation. In addition, the disclosure and clear explanation of the voting procedures, as well as removal of excessive or unnecessary costs and other administrative impediments, allow for the effective exercise of the shareholders' voting rights.

		e. Poll voting is highly encouraged as opposed to the show of hands. Proxy voting is also a good practice, including the electronic distribution of proxy materials.	
4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	Compliant	While there is a risk that the controlling shareholders' voting power may be restrictive or authorize preferences, the Board is committed to respect the rights of the shareholders as provided for in the Corporation Code. These include the right to vote on all matters that require their consent or approval, such that a director shall not be removed without cause if it will deny minority shareholders representation in the Board.	
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Compliant	Section VII (B)(7)(a) of the Company's Manual on Corporate Governance states:  "The right to propose the holding of meetings and items for inclusion in the agenda is given to all shareholders, including minority and foreign shareholders. However, to prevent the abuse of this right, the Corporation may require that the proposal be made by shareholders holding a specified percentage of shares or voting rights."	
6. Board clearly articulates and enforces policies with respect to treatment of	Compliant	The minority shareholders shall be granted the right to propose the	

<p>minority shareholders.</p>		<p>holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.</p> <p>The minority shareholders shall have access to any and all information relating to matters for which management is accountable for and to those relating to matters for which the management shall include such information, and if not included, then the minority shareholders shall be allowed to propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes," and in accordance with law, jurisprudence, and best practice.</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>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>	

**Optional: Recommendation 13.1**

<p>1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.</p>	<p>Compliant</p>	<p>The Company's Stock and Transfer Agent, BDO Unibank, Inc. - Trust &amp; Investments Group Securities Services &amp; Corporate Agencies validate the votes at the Annual Shareholders' Meeting.</p>	
<p><b>Recommendation 13.2</b></p>			
<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>Non-compliant</p>		<p>Section VII(C)(1) of the Company's Manual on Corporate Governance states:</p> <p>"The Board should encourage active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least fifteen (15) business days before the meeting."</p> <p>Notice and Agenda of the annual stockholders' meeting (ASM) were sent out to stockholders starting 02 June 2017 to 07 June 2017, or at least 15 to 18 business day before the ASM on 29 June 2017.</p> <p>Ratification of all acts of the Board of Directors, Board Committees, and Corporate Officers adopted during the preceding year, as well as other matters, are included in the agenda.</p> <p>Link to the Agenda included in the company's Information Statement (SEC Form 20-IS) is:</p> <p><a href="http://www.global-">http://www.global-</a></p>

			<a href="http://www.global-estate.ph/sites/default/files/NoticeAnnualStockholdersMeeting/Notice%20of%20Annual%20Stockholders%20Meeting%2029%20June%202017.pdf">estate.ph/sites/default/files/NoticeAnnualStockholdersMeeting/Notice%20of%20Annual%20Stockholders%20Meeting%2029%20June%202017.pdf</a>
<b>Supplemental to Recommendation 13.2</b>			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:		Link to the Company's Notice of ASM is as follows:  <a href="http://www.global-estate.ph/sites/default/files/NoticeAnnualStockholdersMeeting/Notice%20of%20Annual%20Stockholders%20Meeting%2029%20June%202017.pdf">http://www.global-estate.ph/sites/default/files/NoticeAnnualStockholdersMeeting/Notice%20of%20Annual%20Stockholders%20Meeting%2029%20June%202017.pdf</a>	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Non-compliant		The Notice of ASM itself does not contain the profiles of directors, but the same is included in the Information Statement which is also disseminated to the stockholders prior to the ASM.
b. Auditors seeking appointment/re-appointment	Non-compliant		The Notice of ASM itself does not contain the auditor seeking re-appointment, but the same is included in the Information Statement which is also disseminated to the stockholders prior to the ASM.
c. Proxy documents	Compliant	See page 3 of GERI's 2017 Definitive Information Statement.	
<b>Recommendation 13.3</b>			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	The Minutes of the last ASM, which is uploaded in the Company's website, contains all the relevant questions raised and answers during the ASM as well as the results of the vote taken.	



<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>Link to the Minutes of ASM is as follows:</p> <p><a href="http://www.global-estate.ph/sites/default/files/MinutesStockholdersMeetings/Minutes%20of%20the%20Annual%20Shareholders%20Mtg%20of%20GERI%202017%200.pdf">http://www.global-estate.ph/sites/default/files/MinutesStockholdersMeetings/Minutes%20of%20the%20Annual%20Shareholders%20Mtg%20of%20GERI%202017%200.pdf</a></p> <p>Voting results for all agenda items, including the approving, dissenting and abstaining votes are as follows:</p> <p><b>Approval of the Minutes of the Previous Meeting</b>  Approving Votes: 83.52%  Dissenting Votes: 0%  Abstaining Votes: 0%</p> <p><b>Approval of the 2016 Audited Financial Statements</b>  Approving Votes: 83.52%  Dissenting Votes: 0%  Abstaining Votes: 0%</p> <p><b>Ratification of all acts and resolutions of the BOD, Committees and Corporate Offices</b>  Approving Votes: 83.52%  Dissenting Votes: 0%  Abstaining Votes: 0%</p> <p><b>Amendment to the Articles of Incorporation</b>  Approving Votes: 83.52%</p>	
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		<p>Dissenting Votes: 0% Abstaining Votes: 0%</p> <p><b>Election of Directors</b> Approving Votes: 83.52% Dissenting Votes: 0% Abstaining Votes: 0%</p> <p><b>Appointment of External Auditor</b> Approving Votes: 83.52% Dissenting Votes: 0% Abstaining Votes: 0%</p> <p>Voting was done by viva voce or by show of hands of the shareholders.</p> <p>Opportunity to ask questions was given to all shareholders during the open forum which was conducted immediately after the management report. Questions were answered by the Presiding Officer, Atty. Monica T. Salomon, who was designated as Chairman of the meeting.</p>	
<b>Supplement to Recommendation 13.3</b>			
<p>1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.</p>	<p>Compliant</p>	<p>In addition to the members of the Board of Directors, the Corporate Secretary, Representatives from Punong Bayan &amp; Araullo and GERI's CFO, were present during the annual meeting to answer shareholders questions.</p>	
<b>Recommendation 13.4</b>			
<p>1. Board makes available, at the option of a shareholder, an alternative dispute</p>	<p>Compliant</p>	<p>One of the functions of the Board is to establish and maintain an</p>	

<p>mechanism to resolve intra-corporate disputes in an amicable and effective manner.</p>		<p>alternative dispute resolution system in the company that can amicably settle conflicts or differences between the Company and its stockholders and third parties.</p> <p>No conflicts or differences arose during the last four (4) years between the Company and its stockholders. The Company will study a system to adopt for alternative resolution of disputes.</p> <p>Between the Company and third parties, the Company explores and negotiates amicable settlement through its Customer Relations Department. The conflicts or differences with third parties usually involve buyers of different projects of the Company.</p>	
<p>2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.</p>	<p>Compliant</p>	<p>The alternative dispute mechanism is found in Section IV(G)(2)(m) and Section VII (E) of the Company's Manual on Corporate Governance</p>	
<p><b>Recommendation 13.5</b></p>			
<p>1. Board establishes an investor Relations Office (IRO) to ensure constant engagement with its shareholders.</p>	<p>Compliant</p>	<p>The Company's Investor Relations Officer is:</p> <p>Mr. Johann R. Quiazon  Tel. No. (02) 867-8048  Fax (02) 867-8803  Email:  iquiazon@megaworldcorp.com</p>	
<p>2. IRO is present at every shareholder's meeting.</p>		<p>The Company's IRO was present during the ASM.</p>	

<b>Supplemental Recommendations to Principle 13</b>			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Non-compliant		The Company has yet to implement anti-takeover measures or similar devices that may entrench existing controlling shareholder group.
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Not compliant		The Company's public float is 17.65%. Based on the Amended rule on Minimum Public Ownership, listed companies are only required to maintain a minimum percentage of twenty percent (20%) of the issued and outstanding shares. Nevertheless, the Company will strive to meet the 30% public float recommended by the PSE.
<b>Duties to Stakeholders</b>			
<b>Principle 14:</b> 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.			
<b>Recommendation 14.1</b>			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	The Board is committed to respect and protect the rights of its investors and minority interests. It recognizes the right of the shareholders to elect, remove, and replace directors and vote on certain corporate acts in accordance with the Corporation Code. The following rights of the shareholders are likewise enshrined in the By-Laws and the Manual on Corporate Governance – right to cumulative voting in the election of directors, pre-emptive right, right to inspect corporate books and records	

		<p>in accordance with law, right to information or to be provided upon request with copies of periodic reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the Corporation's shares, dealings with the Corporation, relationships among directors and officers.</p>	
<b>Recommendation 14.2</b>			
<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>The Board shall commit at all times to fully disclose material information dealings. It shall cause the filing of all required information for the interest of its stakeholders.</p> <p>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 a copy of the annual reports, including financial statements, without cost or restrictions.</p> <p>The shareholders shall be provided, upon request, with a copy of periodic reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the corporation's shares, dealings with the corporation, relationships among directors and</p>	

		<p>key officers, and the aggregate compensation of directors and officers.</p> <p>The minority shareholders shall be granted the right to propose the holding of meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.</p> <p>The minority shareholders shall have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which management shall include such information and, if not included, then the minority shareholders shall be allowed to propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes", and in accordance with law, jurisprudence and best practice.</p>	
<b>Recommendation 14.3</b>			
<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>	<p>Compliant</p>	<p>The Company's investor relations program aims at developing and maintaining effective communication between the Company and its various stakeholders.</p> <p>The Company's website <a href="http://www.global-estate.ph">www.global-estate.ph</a>, which is regularly</p>	

		<p>updated, contains all relevant information any investor may need about the Company. This includes projects of the Company, Annual Reports and financial statements.</p> <p>The Company's Whistleblowing policy can be found in its website.  <a href="http://www.global-estate.ph/policy5">http://www.global-estate.ph/policy5</a></p>	
<b>Supplement to Recommendation 14.3</b>			
<p>1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.</p>	Compliant	<p>One of the functions of the Board is to establish and maintain an alternative dispute resolution system in the company that can amicably settle conflicts or differences between the Company and its stockholders and third parties.</p> <p>No conflict or difference has yet arisen between the Company and its stockholders. The Company will study a system to adopt for alternative resolution of disputes.</p>	
<b>Additional Recommendations to Principle 14</b>			
<p>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.</p>	Compliant	<p>The Company has not yet sought any exemption for the application of any law, rule or regulation especially when it refers to a corporate governance issue.</p>	

<p>2. Company respects intellectual property rights.</p>	<p>Compliant</p>	<p>The Company registered various trademarks with the Intellectual Property Office, as follows:</p> <ol style="list-style-type: none"> <li>1. Global-Estate Resorts, Inc.;</li> <li>2. Boracay Newcoast;</li> <li>3. Twin Lakes;</li> <li>4. Twin Lakes Hotel;</li> <li>5. Pahara at Southwoods City;</li> <li>6. Southwoods City;</li> <li>7. Southwoods Mall;</li> <li>8. Elite Communities Property Services;</li> <li>9. Chancellor;</li> <li>10. Eastland Heights;</li> <li>11. Domaine Le Jardin;</li> <li>12. Lucerne at Domaine Le Jardin;</li> <li>13. Ocean Garden Villas at Boracay Newcoast.</li> </ol>	
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**Principle 15:** A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.

**Recommendation 15.1**

<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>The Company considers its entire workforce as significant employees. The Company relies on the contribution of all employees to achieve its corporate objectives.</p> <p>The Company has in place a set of policies and programs that encourage employee participation in the realization of the Company's</p>	
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		<p>goals and its governance through trainings and development; health, safety and welfare program.</p> <p>The Company created in September 2012 an Organization Development and Training Unit ("OD") to spearhead its training and development programs. In the same month, the OD Unit conducted a Project Management Workshop which was participated in the by members of the Contracts, Procurement &amp; Project Management Division and of the Project Development &amp; Property Management Division. The OD Unit, now under the Human Resources Division, likewise launched in February 2013 an organization-wide Work Instruction Creation Program, which lays the ground work for the development of a Training Needs Analysis (TNA) and, ultimately, the creation of a skills-based/competency-based training and behavioral training programs.</p> <p>The Human Resources Division launched the company's official learning university, Global Estate Center of Excellence (GCE) in which the following seminars/workshop and trainings were provided:</p> <ol style="list-style-type: none"> <li>1. Building Block Seminars</li> </ol>	
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		<ul style="list-style-type: none"> <li>2. (Corporate Orientation); Core Programs and Workshops;</li> <li>3. Job Specific Programs;</li> <li>4. Management Development Programs;</li> <li>5. Leadership Development Programs;</li> <li>6. GSERVE (Happiness Campaign) for employees to serve internal and external customer with a cheerful spirit.</li> </ul>	
<b>Supplement to Recommendation 15.1</b>			
<p>1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.</p>	<p>Compliant</p>	<p>On September 23, 2011, the Company approved an Executive Stock Option Plan (ESOP) for key Company executives, directors and senior officers. The purpose of the Plan is to enable the key Company executives, directors and senior officers who are largely responsible for its further growth and development to obtain an ownership interest in the Company, thereby encouraging long-term commitment to the Company.</p> <p>See page 36 of the 2017 Annual Report. (<a href="http://www.global-estate.ph/sites/default/files/SECForm17-A/SEC%2017-A%20GERI%202017%20Annual%20Report.pdf">http://www.global-estate.ph/sites/default/files/SECForm17-A/SEC%2017-A%20GERI%202017%20Annual%20Report.pdf</a>)</p>	

<p>2. Company has policies and practices on health, safety and welfare of its employees.</p>	<p>Compliant</p>	<p>All employees have been enrolled with an HMO to cover in-patient and out-patient care beginning February 2012. An annual medical check-up of all employees was conducted in June 2012, August 2013, August 2014, August 2015, August 2016, August 2017; and an annual executive check-up for executives and key officers from August to November 2012, September to December 2013, 2014, 2015, 2016 and 2017. The same programs will be implemented in the current year.</p> <p>Human Resources Division also partnered with various institutions to carry out health awareness programs involving lectures, sampling of medicines, vision tests and affordable eye wears, anti-flu vaccination and blood extraction. The Company has a MEDICARD (HMO provider) physician to provide medical consultations at the workplace.</p> <p>G-Fit Health and wellness program was introduced in 2016 to promote healthy lifestyle and work-life-balance among GERI employees. Employees were encouraged to join various programs such as Zumba, Passport to Wellness program, health and wellness seminars and lectures in partnership with Medicard.</p>	
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<p>3. Company has policies and practices on training and development of its employees.</p>	<p>Compliant</p>	<p>The Company created in September 2012 an Organization Development and Training Unit ("OD") to spearhead its training and development programs. In the same month, the OD Unit conducted a Project Management Workshop which was participated in the by members of the Contracts, Procurement &amp; Project Management Division and of the Project Development &amp; Property Management Division. The OD Unit, now under the Human Resources Division, likewise launched in February 2013 an organization-wide Work Instruction Creation Program, which lays the ground work for the development of a Training Needs Analysis (TNA) and, ultimately, the creation of a skills-based/competency-based training and behavioral training programs.</p> <p>The Human Resources Division launched the company's official learning university, Global Estate Center of Excellence (GCE) in which the following seminars/workshop and trainings were provided:</p> <ol style="list-style-type: none"> <li>1. Building Block Seminars (Corporate Orientation)</li> <li>2. Core Programs and Workshops</li> <li>3. Job Specific Programs</li> </ol>	
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4. Management Development Programs
5. Leadership Development Programs

For the year 2017, the following are the particular trainings conducted:

In-House Trainings:

1. Corporate Orientation Program
2. Customer First Workshop
3. Leaders' Conference: Urban Planning for Executives
4. 5S + 2 Workshop
5. People Handling Tools: Performance Management System
6. Behavioral-based Interviewing Techniques
7. BDO Refresher Course
8. Leading Millennials Workshop
9. Microsoft Excel Program
10. People Handling Toolbox Series: Employee Discipline
11. Image Enhancement Workshop
12. 2017 Manager's Forum: Communicating with Confidence
13. Developing Harmony at Work
14. People Handling Toolbox Series: Basics of Mentoring
15. GSERVE 24/7 ORIENTATION
16. Sensitivity Seminar on Disability Rights

		<p>External Trainings:</p> <ol style="list-style-type: none"> <li>1. Environmental Impact Assessment Preparer's Training (by DENR Central)</li> <li>2. Basic and Refresher Course for Pollution Control Officers (by PCAPI 4A)</li> <li>3. People Handling Toolbox Series: Power of Coaching</li> <li>4. Continuing Environmental Education Seminar (CEES)</li> <li>5. Customer Service Management Seminar 2017</li> <li>6. 4th Biennial PCO Summit</li> <li>7. PCO Summit</li> <li>8. Clean Water Act and Clean Air Act Seminar by Hi-Advance (contractor)</li> <li>9. Women in the Environment Year 2</li> <li>10. TMAP Tax Seminar</li> <li>11. 2017 Manager's Forum: Communicating with Confidence</li> <li>12. 2017 National Midyear Convention</li> <li>13. Structure Institute: Lectures and Hands-On Series</li> <li>14. 11th Philippine HR Congress</li> <li>15. Property Developer's Guide to the Building Code IRR of the Philippines</li> <li>16. Seminar on Land Titling, Detecting Fake &amp; Defective Titles</li> </ol>	
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		<ul style="list-style-type: none"> <li>17. Modern Interviewing Techniques</li> <li>18. 27th SHDA National Developers Convention</li> <li>19. The 54th Annual PMAP Conference</li> <li>20. Basic Occupational Safety &amp; Health (BOSH)</li> <li>21. AOTCA International Tax Conference 2017</li> <li>22. DOLE DO-174 End of Endo Under the Duterte Administration</li> <li>23. The 11th Philippine Tax Summit</li> <li>24. Opportunities Available Under the Proposed Tax Reform and Estate Tax Amnesty Seminar</li> <li>25. Business Forum: Moratorium on Land Use Conversion and Guidelines on the Issuance of Certification of Land Use Reclassification</li> <li>26. Loss Control Management (LCM)</li> <li>27. Construction Occupational Safety and Health (COSH)</li> <li>28. Women in the Environment: Year 2</li> <li>29. Common Error of Accountants in Handling Tax Issues</li> <li>30. Forum on Land Titles Issued by LMB</li> <li>31. Leading Millennials</li> <li>32. The New DOLE Regulations on Job Contracting and Outsourcing</li> </ul>	
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33. How to Reduce Admin Costs  
34. Urban Planning for Executives

**Recommendation 15.2**

<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>According to the Employees' Handbook, where an employee is charged with an infraction that is punishable by suspension or higher, the department head or the immediate superior submits to the Committee of Employee Discipline a Disciplinary Action Memo. The Committee conducts an investigation in accordance with the requirements of due process, and submits its findings and recommendation to Management for approval. The same procedure is followed in offenses involving corruption and unethical behavior.</p> <p>Management created an email address where concerned employees may send anonymous reports on alleged corruption &amp; unethical behaviors. Reports received through this email address may only be opened by top management, and may be used by Management as basis to initiate an investigation to the extent that one may be warranted by the contents of the report.</p>	
<p>2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.</p>	<p>Compliant</p>	<p>The Board disseminated the anti-corruption policy to employees across the organization through the Employee Handbook.</p>	



**Supplement to Recommendation 15.2**

<p>1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.</p>	<p>Compliant</p>	<p>The Company does not condone dishonest behavior. Concerns may be raised to HR or Senior Executive Officers who are bound to maintain the confidentiality of the same.</p> <p>According to the Employees' Handbook, where an employee is charged with an infraction that is punishable by suspension or higher, the department head or the immediate superior submits to the Committee of Employee Discipline a Disciplinary Action Memo. The Committee conducts an investigation in accordance with the requirements of due process, and submits its findings and recommendation to Management for approval.</p> <p>Management created an email address where concerned employees may send anonymous reports on alleged corruption &amp; unethical behaviors. Reports received through this email address may only be opened by top management, and may be used by Management as basis to initiate an investigation to the extent that one may be warranted by the contents of the report.</p> <p>As stated in the Company's memo</p>	
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on "Reiteration of Company Policy on Receiving Gifts from Supplier/Contractor", issued by the HR Division on 22 December 2017, any supplier or contractor found guilty of giving, offering, or promising any gift, favor, benefit or anything of value to any employee of the Company, will be blacklisted and barred from having any further dealings with the Company. If an offer is made by a supplier or contractor or a solicitation done by a Company employee, the party concerned must disclose it within 24 hours to the HR Head.

**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>Reports of wrongdoing may be made directly to the Chairman or President for proper disposition to ensure confidentiality of information and protection of the identity of the whistle blower.</p>	
<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.</p>	<p>Compliant</p>	<p>Reports of wrongdoing may be made directly to the Chairman or President for proper disposition to ensure confidentiality of information and protection of the identity of the whistle blower.</p>	
<p>3. Board supervises and ensures the enforcement of the whistleblowing framework.</p>	<p>Compliant</p>	<p>Per Code of Business Conduct and Ethics:  For directors, all information received from whistle-blowers and/or anonymous sources or any report of wrongdoing may be made directly</p>	

		<p>to the Chairman for proper disposition to ensure confidentiality of information and protection of the identity of the whistle blower.</p> <p>For senior management and employees, reports of wrongdoing may be made directly to the Chairman or President for proper disposition to ensure confidentiality of information and protection of the identity of the whistle blower.</p>	
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**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**

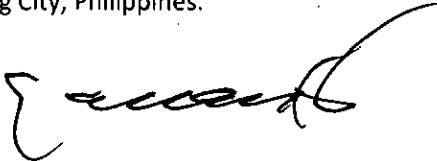
<p>1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.</p>	<p>Compliant</p>	<p>Pursuant to the Self-Monitoring Report submitted by the Company to the Environmental Management Bureau for the year 2017, the Company's community involvement and environment-related programs in Boracay consists of:</p> <ol style="list-style-type: none"> <li>1. War on Waste Transportation Facility;</li> <li>2. War on Waste Activity;</li> <li>3. Emission Test of GenSet;</li> <li>4. Landscaping;</li> <li>5. Nursery Vegetable Garden Propagation;</li> <li>6. BNITE Tree Planting Activity.</li> </ol> <p>The Company also launched tree-</p>	
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		planting activities in its projects at Eastland Heights Antipolo and Twin Lakes Batangas.	
<b>Optional: Principle 16</b>			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	Compliant	<p>To launch a movement that will encourage and educate Boracay visitors during LaBoracay 2015, 2016 and 2017 to properly dispose their trash and to be responsible in maintaining the cleanliness of the island even after parties and events, the Company headed:</p> <ul style="list-style-type: none"> <li>• Donation of Trash Bins</li> <li>• Distribution of campaign stickers for awareness</li> <li>• Distribution of T-shirts for the clean-up drive participants</li> <li>• Zumba activity prior to the clean-up drive</li> </ul> <p>GERI launched a new product – the integrated lifestyle community. An integrated lifestyle community is primarily residential, but what makes it unique is that it showcases the best that nature has to offer, making nature an extended amenity of the project.</p> <p>GERI's first integrated lifestyle community is Eastland Heights with 640 hectares of rolling terrain on the highlands of Antipolo. Capitalizing on the scenic views and fresh air of Antipolo, Eastland Heights has a 36-</p>	

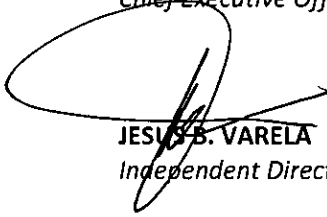
		<p>hole golf course and country club. It has a sports clubhouse and will have a spa and water park.</p> <p>GERI's Eastland Heights is a good example of sustainable development. We make nature a focal point of our development and ensure that the environment is respected by creating less carbon footprint and preserving the landscape.</p>	
<p>2. Company exerts effort to interact positively with the communities in which it operates</p>	<p>Compliant</p>	<p>Pursuant to the Self-Monitoring Report submitted by the Company to the Environmental Management Bureau for the year 2017, the Company's community involvement and environment-related programs in Boracay consists of:</p> <ol style="list-style-type: none"> <li>1. War on Waste Transportation Facility;</li> <li>2. War on Waste Activity;</li> <li>3. Emission Test of GenSet;</li> <li>4. Landscaping;</li> <li>5. Nursery Vegetable Garden Propagation;</li> <li>6. BNITE Tree Planting Activity;</li> </ol> <p>The Company also launched tree-planting activities in its projects at Eastland Heights Antipolo and Twin Lakes Batangas.</p>	

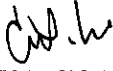
		<p>Moreover, the Company conducted a Christmas Donation Program for Marawi soldiers.</p> <p>The Company's project will also have positive social and economic impact on the local community. These include employment, induced economic activity, and creation of revenue streams for the local government. The Company also employs qualified local residents, who are given priority in hiring personnel.</p>	
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IN WITNESS WHEREOF, we have hereunto affixed our signatures this MAY 31 2018 day of May 2018 at Taguig City, Philippines.


  
**ANDREW L. TAN**  
Chairman of the Board and  
Chief Executive Officer

  
**MONICA T. SALOMON**  
President

  
**JESUS B. VARELA**  
Independent Director

  
**CRENCIO P. AQUINO**  
Independent Director

  
**LAILANI V. VILLANUEVA**  
Compliance Officer

  
**DOMINIC V. ISBERTO**  
Corporate Secretary

Republic of the Philippines )  
Taguig City ) s.s.


SUBSCRIBED AND SWORN to before me this MAY 31 2018 at Taguig City, Philippines, affiants personally appeared before me and exhibited to me their respective competent evidences of identity as follows:

Name	Competent Evidence of Identity	Date/Place issued
ANDREW L. TAN	TIN: 125-960-003	
MONICA T. SALOMON	TIN: 182-240-560	
JESUS B. VARELA	TIN: 147-974-175	
CRENCIO P. AQUINO	TIN: 113-313-284	
LAILANI V. VILLANUEVA	TIN: 221-996-849	
DOMINIC V. ISBERTO	TIN: 204-642-254	

WITNESS MY HAND AND NOTARIAL SEAL on the date and place first above written.

Doc. No. 323 ;  
Page No. 86 ;  
Book No. IV ;  
Series of 2018.

Notary Public

  
**AILEEN GRACE P. PIZANA**  
NOTARY PUBLIC - TAGUIG CITY  
Appointment No. 95 valid until 31 December 2018  
16th Floor, Alliance Global Tower, 36th Street cor. 11th Ave.  
Ugrosn Bonfacio, Taguig City  
P.O. of Attorney's No. 69767  
IBP No. 021611/1-5-18/Quezon City  
PTR No. A-3695125/1-5-18/Taguig City  
MCLE Compliance No. V-0015309/3-8-16