

COVER SHEET

CS201518815
S.E.C. Registration Number

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

JANNETTE VIRATA SEVILLA
Contact Person

8849-3600
Company Telephone Number

1	2	3	1
Month		Day	

Fiscal Year

I-ACGR for 2020
Integrated Annual Corporate Governance Report

FORM TYPE

0	6	0	2
Month		Day	

Annual Meeting
(First Wednesday of June)

Issuer of Securities under SEC MSRD Order No. 9 series of 2016

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic	Foreign

To be accomplished by SEC Personnel concerned

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STAMPS

SECURITIES AND EXCHANGE COMMISSION
SEC FORM – I-ACGR
INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended 31 December 2020
2. SEC Identification Number CS201518815 3. BIR Tax Identification No. 009-133-917-000
4. Exact Name of Registrant as Specified in its Charter CEMEX HOLDINGS PHILIPPINES, INC.
5. Metro Manila, Philippines 6. (SEC Use Only)
Province, Country or other jurisdiction of Industry Classification Code
incorporation or organization
7. 34TH Floor Petron Mega Plaza Building 1200
358 Sen. Gil J. Puyat Avenue, Makati City Postal Code
Address of Principal Office
8. +632 8849-3600
Registration's Telephone number, including area code
9. Not Applicable
Former name or former address, if changed from the last report

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT FOR YEAR 2020

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
<p>Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.</p>			
Recommendation 1.1			
<p>1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.</p>	Compliant	<p>CHP's Revised Manual of Corporate Governance (22 March 2018) provides the general qualifications and disqualifications pertinent to members of the Board of Directors.</p>	
<p>2. Board has an appropriate mix of competence and expertise.</p>	Compliant	<p>CHP's SEC Form 17-A (2020 Annual Report) includes a write-up of each of the directors of CHP stating their work experience and competence and reflects an appropriate mix of competence, expertise and qualifications to enable them to fulfill their roles and responsibilities as board members and to respond to the needs of the CHP Group. Brief write-ups on the academic qualifications, industry knowledge and professional experience of each of the members of CHP's Board of Directors can be found on the company's website</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>	Compliant	<p>These documents are posted on CHP's website and available on PSE Edge portal.</p> <p>Reference: CHP's Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbeb532-4406-d26c-b444-4b6b1d794f69</p> <p>CHP's SEC Form 17-A (2020 Annual Report) [pages 46 to 49] https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/eff43b95-7ec7-0273-01d7-bbe5b87296c3</p>	

		<p>Profile of Board of Directors on Website https://www.cemexholdingsphilippines.com/about-us/company-profile/board-of-directors</p>	
Recommendation 1.2			
<p>1. Board is composed of a majority of non- executive directors.</p>	<p>Compliant</p>	<p>Under CHP’s Revised Manual of Corporate Governance (22 March 2018), an “executive director” is defined as a director who has executive responsibility of day-to-day operations of a part or the whole of the organization, while a “non-executive director” is defined as a director who has no executive responsibility for and does not perform any work related to the operations of the Corporation”.</p> <p>A majority of the members of the Board of Directors who served in 2020 were “non-executive directors”: Pedro Roxas (Lead Independent Director) Alfredo S. Panlilio (independent), Eleanor M. Hilado (independent), Sergio Mauricio Menendez Medina, Antonio Ivan Sanchez Ugarte, and Maria Garcia Villan. The former Board Chairman, Jaquin Miguel Estrada Suarez, and former board member, Larry Jose Zea Betancourt, were also considered “non-executive”.</p> <p>Reference: Profile of Board Members and Senior Management of CHP https://www.cemexholdingsphilippines.com/about-us/company-profile/board-of-directors https://www.cemexholdingsphilippines.com/about-us/company-profile/senior-management</p>	
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>Article 3(G) of CHP’s Revised Manual of Corporate Governance (22 March 2018) states: “All Directors shall be appropriately apprised of their duties and responsibilities as member of the Board of Directors of the Corporation and shall be provided access to the Corporation’s Articles of Incorporation, By-laws, Code of Ethics and Business Conduct and company policies including those impacting on corporate governance. Annual continuing seminar or workshop programs for at</p>	

		<p>least four (4) hours involving courses on corporate governance and other topics relevant to the Corporation shall be provided to Directors.”</p> <p>Reference: CHP’s Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbcb532-4406-d26c-b444-4b6b1d794f69</p>	
2. Company has an orientation program for first time directors.	Compliant	<p>The Corporate Secretary works with first-time directors to provide materials and guidance on the Corporation’s Articles of Incorporation, By-laws, Code of Ethics and Business Conduct, the company’s manual of corporate governance, and various company policies impacting on corporate governance.</p>	
3. Company has relevant annual continuing training for all directors.	Compliant	<p>The Corporation arranged for corporate governance training sessions for members of the Board of Directors and principal officers in 2020.</p> <p>Disclosures on the matter are posted on CHP’s website and available on PSE Edge portal.</p> <p>Reference: https://www.cemexholdingsphilippines.com/documents/46587437/49256260/chp-letter-sec-dated-21-oct-2020-cg-training-with-cop-c-palero-s.pdf/6cc0d27b-8bb5-08cd-b40c-286d2934aade https://www.cemexholdingsphilippines.com/documents/46587437/49660376/chp-letter-to-sec-dated-26-november-2020-on-cg-training-with-cop-s.pdf/f029b965-9bc2-0222-65da-069644c82e6e https://www.cemexholdingsphilippines.com/documents/46587437/49660376/chp-letter-to-sec-dated-2-december-2020-on-cg-training-with-cop-s-comp.pdf/8fc3782c-1f3c-fa82-d683-f550fd9c2cf3</p>	

Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	<p>Article 3 (A) of CHP's Revised Manual of Corporate Governance (22 March 2018) explicitly encourages diversity in the Board.</p> <p>Reference: CHP's Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbcb532-4406-d26c-b444-4b6b1d794f69</p> <p>CHP's SEC Form 17-A (2020 Annual Report) <i>[pages 46 to 49]</i> https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/cff43b95-7ec7-0273-01d7-bbe5b87296c3</p> <p>Profile of Board of Directors on Website https://www.cemexholdingsphilippines.com/about-us/company-profile/board-of-directors</p>	
Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.			
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	<p>Section 5 Article IV of CHP's Amended By-Laws and Article 3(M) of CHP Revised Manual of Corporate Governance (22 March 2018) contain the qualifications, duties and functions of the Corporate Secretary.</p> <p>Reference: CHP's Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbcb532-4406-d26c-b444-4b6b1d794f69</p>	

		<p>CHP's Amended By-Laws https://www.cemexholdingsphilippines.com/documents/46587437/49660376/sec-certificate-filing-13-oct-2020.pdf/8d25b520-3f4e-51b9-0c93-cf062c7363da</p> <p>CHP's SEC Form 17-A (2020 Annual Report) <i>[Write-up on Atty Jannette Virata Sevilla is on page 52]</i> https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/cff43b95-7ec7-0273-01d7-bbe5b87296c3</p> <p>Write-up on the incumbent Corporate Secretary on Website https://www.cemexholdingsphilippines.com/about-us/company-profile/senior-management</p>	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Non-Compliant		<p>The positions of the Corporate Secretary and Compliance Officer are currently held by Ms. Jannette Virata Sevilla, who is a professional lawyer. She has adequate stature and authority to perform her functions as Corporate Secretary and Compliance Officer of CHP. She has had extensive work experience with the organization having occupied a senior position (i.e., Vice President – Legal for CEMEX Asia/CEMEX Philippines) prior to her retirement in 2009. She resumed her working association with the CEMEX organization a year after her retirement, acting as external legal consultant who is principally focused on special projects involving the various business units in CEMEX Asia. Notably, she performs her current functions as Corporate Secretary and Compliance Officer relatively independent from CHP's management team, and she does not report to the President & CEO of CHP.</p> <p>Given that CHP and its subsidiaries are not engaged in multiple lines of businesses and its organization is structured to operate in a relatively lean manner to promote efficiency, the Board of Directors has not found the need to appoint different individuals to occupy the positions of Corporate Secretary and Compliance Officer.</p>
3. Corporate Secretary is not a member of the Board of Directors.	Compliant	<p>Reference: CHP's Board of Directors https://www.cemexholdingsphilippines.com/about-us/company-profile/board-of-directors</p>	

4. Corporate Secretary attends training/s on corporate governance.	Compliant	<p>The Corporate Secretary/Compliance Officer attended a 4-hour corporate governance training program conducted by the Philippine Chamber of Commerce & Industry on 27 November 2020.</p> <p>Reference: https://www.cemexholdingsphilippines.com/documents/46587437/49660376/chp-letter-to-sec-dated-2-december-2020-on-cg-training-with-cop-s-comp.pdf/8fc3782c-1f3c-fa82-d683-f550fd9e2cf3</p>	
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.			
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	Article 3(N) of CHP Revised Manual of Corporate Governance (22 March 2018) contain the qualifications, duties and functions of the Compliance Officer.	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant	<p>Reference: CHP's SEC Form 17-A (2020 Annual Report) <i>[Write-up on Atty Jannette Virata Sevilla is on page 52]</i> https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/cff43b95-7ec7-0273-01d7-bbe5b87296c3</p> <p>Write-up on the incumbent Compliance Officer on Website https://www.cemexholdingsphilippines.com/about-us/company-profile/senior-management</p>	The positions of the Corporate Secretary and Compliance Officer are currently held by Ms. Jannette Virata Sevilla, who is a professional lawyer. She has adequate stature and authority to perform her functions as Corporate Secretary and Compliance Officer of CHP. She has had extensive work experience with the organization having occupied a senior position (i.e., Vice President – Legal for CEMEX Asia/CEMEX Philippines) prior to her retirement in 2009. She resumed her working association with the CEMEX organization a year after her retirement, acting as external legal consultant who is principally focused on special projects involving the various business units in CEMEX Asia. Notably, she performs her current functions as Corporate Secretary and Compliance Officer relatively independent from CHP's management team, and she does not report to the President & CEO of CHP.
3. Compliance Officer is not a member of the board.	Compliant		

4. Compliance Officer attends training/s on corporate governance.	Compliant	<p>The Corporate Secretary/Compliance Officer attended a 4-hour corporate governance training program conducted by the Philippine Chamber of Commerce & Industry on 27 November 2020.</p> <p>Reference: https://www.cemexholdingsphilippines.com/documents/46587437/49660376/chp-letter-to-sec-dated-2-december-2020-on-cg-training-with-cop-s-comp.pdf/8fc3782c-1f3c-fa82-d683-f550fd9e2cf3</p>	
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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>Article 3(H) of CHP's Revised Manual of Corporate Governance (22 March 2018) provides that a director's office is one of trust and confidence. A director should act in the best interest of the corporation in a manner characterized by transparency, accountability and fairness. He should also exercise leadership, prudence and integrity in directing the corporation towards sustained progress.</p> <p>CHP's Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbcb532-4406-d26c-b444-4b6b1d794f69</p>	
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Recommendation 2.2

1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	<p>Among the Board's general responsibility is to formulate the corporation's strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance.</p>	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant	<p>CHP's Revised Manual of Corporate Governance (22 March 2018) See Article 3 (G) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbcb532-4406-d26c-b444-4b6b1d794f69</p>	

		<p>Based on the OECD principles of corporate governance, the Board of Directors oversees and monitors CHP's business objectives and strategy. In this regard, in 2020 the Board of Directors convened eight (8) meetings to discuss various significant matters affecting CHP, including regular quarterly meetings to discuss business and operational results, risks, review business approach and priorities and to approve annual budget and plans.</p> <p>Reference: CHP's SEC Form 17-A (2020 Annual Report) <i>[Item 15; pages 65-66]</i> https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/cff43b95-7ec7-0273-01d7-bbe5b87296c3</p>	
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	<p>Corporate Vision and Core Values can be viewed at: https://www.cemexholdingsphilippines.com/about-us/vision</p>	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compliant	<p>Among the Board's general responsibility is to formulate the corporation's strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance. In 2020 the Board of Directors convened eight (8) meetings to discuss various significant matters affecting CHP, including regular quarterly meetings to discuss business and operational results, risks, review business approach and priorities and to approve annual budget and plans.</p> <p>Reference: CHP's Revised Manual of Corporate Governance (22 March 2018) See Article 3 (G) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbcb532-4406-d26c-b444-4b6b1d794f69</p> <p>CHP's SEC Form 17-A (2020 Annual Report) <i>[Item 15; pages 65-66]</i> https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-</p>	

		report-sustainability-report-and-exhibits-a-and-b.pdf/cff43b95-7ec7-0273-01d7-bbe5b87296c3	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	<p>Background and qualifications of the Chairman of the Board of Directors in 2020, Mr. Sergio Mauricio Menendez Medina are found in CHP's 2020 Annual Report (SEC Form 17-A).</p> <p>Reference: CHP's SEC Form 17-A (2020 Annual Report) <i>[Write-up on Mr. Sergio Mauricio Menendez Medina is on page 48]</i> https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/cff43b95-7ec7-0273-01d7-bbe5b87296c3 https://www.cemexholdingsphilippines.com/about-us/company-profile/board-of-directors</p>	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	<p>Among the Board's duties and functions to implement a process for the selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies, appoint competent, professional, honest and highly-motivated management officers, and adopt an effective succession planning program for Management.</p>	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant	<p>Reference: CHP's Revised Manual of Corporate Governance (22 March 2018) See Article 3 (G) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbcb532-4406-d26c-b444-4b6b1d794f69</p> <p>To complement this, the company adopts the institutional talent management processes observed globally by the CEMEX organization, consisting of processes pertaining to talent review and succession planning and determination of remuneration structure designed with the objective of retaining talent in the organization. The</p>	

		<p>company undertakes an annual succession planning and talent review process as part of CEMEX's Talent Development Program. In the annual succession planning exercise, all incumbents of managerial positions and higher provide a succession plan for their respective positions. From their initial proposal, the proposed successors are reviewed by their immediate supervisors and by the Management Team. For positions related to CHP's President & CEO and his direct reports, the succession proposals are also reviewed to ensure consistency with the CEMEX global process.</p> <p>The organization has a retirement plan for all its employees which is a defined benefit program. Upon reaching the mandatory age of retirement, employees receive a lump sum bonus amount depending on their years of service with the organization. The retirement plan provides for a retirement fund that is managed by a third-party fund manager.</p>	
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long- term interests of the company.	Compliant	<p>The organization provides a compensation package to its executives that has fixed and variable components. The fixed component pertains to the basic salary and annual salary increases are determined based on the executives' performance and position on the defined salary range. The variable component pertains to a variable compensation program that is paid based on the organization's performance and the individual executive's performance.</p> <p>Reference: CHP's 2020 Annual Report (SEC Form 17-A) which sets forth information regarding the compensation package of the principal officers. <i>[pages 54 to 56]</i> https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/eff43b95-7ec7-0273-01d7-bbe5b87296c3 CHP's Sustainability Report for 2020 https://www.cemexholdingsphilippines.com/sustainability/reports</p>	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant		

Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.			
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.			
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	<p>Article 3(E)(iii) of CHP's Revised Manual of Corporate Governance (22 March 2018) outlines the procedure of nomination and election of members of the Board of Directors, which among others recognizes the right of any shareholder to nominate candidate/s to the Board of Directors of CHP. All nominations for Directors to be elected by the stockholders of the Corporation shall be submitted in writing to the Corporate Secretary of the Corporation at the principal office of the corporation not earlier than fifty (50) business days nor later than thirty-two (32) business days prior to the date of the regular or special meeting of stockholders for the election of Directors.</p> <p>The Nomination Committee reviews the nominations made and prepares the list of all nominees for directors which have been submitted by shareholders and endorses the same to the Board of Directors. The Board of Directors, by majority vote, shall review the qualifications of all nominees to the Board. It may also, in the exercise of its discretion, and by a 3/4 vote of its members, disqualify a nominated shareholder who, in the Board of Directors' judgment represents an interest adverse to or in conflict with those of the Corporation.</p> <p>Reference: CHP's Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8c9cb532-4406-d26c-b444-4b6b1d794f69</p>	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant		
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant		
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		

Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.			
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	Article 3(K)(ii) of CHP's Revised Manual of Corporate Governance (22 March 2018) mandates that the Audit Committee shall evaluate and monitor material Related Party Transactions to ensure compliance with relevant company policy and procedures and recommend to the Board changes or improvements in policy and procedures. Review must take the following into consideration: a) the nature of the parties' interest in the transaction;	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	b) the essential terms of the transactions, including the amount involved and the type of transactions; c) the importance of the transaction for the Corporation and the Related Party; d) whether the transaction could affect the impartiality of any of the Corporation's directors with respect to the interest of the Corporation and any of its shareholders;	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant	e) fair treatment of shareholders; and f) any other circumstance deemed relevant by the Audit Committee Article 4 of CHP's Revised Manual of Corporate Governance (22 March 2018) also provides the following: "Transactions with a Related Party shall be entered into on terms and conditions that are arm's-length, with sufficient documentation and coursed through the appropriate levels of approval authority. The Corporation may obtain transfer pricing studies when market prices and/or market conditions under comparable circumstances are not readily available to assure compliance with relevant regulations applicable to transactions between Related Parties. "Any amendment, revision, extension or supplement to the following material terms and conditions of the	

		<p>Corporation’s license agreements involving the trademark and other intellectual properties of, and service agreements with, CEMEX shall require the affirmative vote of at least two independent directors:</p> <p>a) royalty/license fee or service fee, as applicable, payable to CEMEX; and</p> <p>b) term of the agreement.”</p> <p>Reference: CHP’s Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbcb532-4406-d26c-b444-4b6b1d794f69</p> <p>CHP adheres to a <i>Policy on Material Related Party Transactions</i> (the “CHP MRPT Policy”) which was adopted and approved by the Board of Directors on September 3, 2019 in furtherance of SEC Memorandum Circular No. 10, Series of 2019. The purpose of MRPT Policy is to (a) define the framework for the procedures and processes for the review, approval or ratification, monitoring and recording of Related Party Transactions (as defined in this Policy) of the Corporation; (b) provide guidance to management and employees on the governance guidelines for Related Party Transactions and disclosure requirements; and (c) supplement the <i>CEMEX Policy and Procedures with Respect to Related Person Transactions</i>, which is the general policy promulgated by the Board of Directors of CEMEX, S.A.B. de C.V. and applicable to the international group of companies of which the Parent Company is a member. Transactions entered with a related party (as defined under CHP MRPT Policy) amounting to 10% or more of the total consolidated assets of CHP based on the latest audited consolidated financial statements is considered material. Each material related party transaction shall be reviewed and evaluated by the Audit Committee and endorsed to the Board of Directors for approval. The material related party transaction shall require the approval of at least two-thirds (2/3) votes of the members of the Board, with at least the majority of the independent directors voting to approve the material related party transaction. For aggregate related party transactions within twelve-month period with the same</p>	
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		<p>related party that breaches the materiality threshold, the same review and approval procedures mentioned above is required.</p> <p>Reference: CHP's Policy on Material Related Party Transactions https://www.cemexholdingsphilippines.com/documents/46587437/46588159/chp-policy-material-related-party-transactions-3-sep-2019.pdf/3c0bd347-13e7-7171-f49f-97a7f0cd571a</p> <p>CHP submitted on March 4, 2020 to the Securities and Exchange Commission an <i>Advisement Report</i> dated March 3, 2020 containing the terms and conditions of the Revolving Master Loan Facility Agreement dated March 3, 2020 between the Parent Company and one of its subsidiaries, SOLID Cement. There were no other transaction entered into in 2020 which are covered under Article 4 of CHP's Revised Manual of Corporate Governance by or CHP MRPT Policy requiring the special voting requirements therein provided, respectively.</p> <p>Reference: https://www.cemexholdingsphilippines.com/documents/46587437/49256260/chp-letter-dated-03-mar-2020-mrpt-advisement-report.pdf/9a0d3664-1e79-d32c-bd96-c00b8b75691b</p>	
Supplement to Recommendations 2.7			
<p>1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.</p>	<p>Compliant</p>	<p>Under the CHP MRPT Policy, transactions entered with a related party amounting to 10% or more of the total consolidated assets of CHP based on the latest audited consolidated financial statements is considered material. Each material related party transaction shall be reviewed and evaluated by the Audit Committee and endorsed to the Board of Directors for approval. The material related party transaction shall require the approval of at least two-thirds (2/3) votes of the members of the Board, with at least the majority of the independent directors voting to approve the material related party transaction. For aggregate related party transactions within twelve-month period with the same related party that breaches the materiality threshold, the same review and approval procedures mentioned above is required.</p> <p>Reference: CHP's Policy on Material Related Party Transactions</p>	

		<p>https://www.cemexholdingsphilippines.com/documents/46587437/46588159/chp-policy-material-related-party-transactions-3-sep-2019.pdf/3c0bd347-13e7-7171-f49f-97a7f0cd571a</p> <p>Specific information concerning transactions with “related parties” (regardless of amount) are disclosed in the quarterly reports/SEC Form 17-Q (specifically Note 10 to the interim consolidated financial statements attached thereto) and annual report (SEC Form 17-A) of CHP for 2020.</p> <p>Reference: https://www.cemexholdingsphilippines.com/investors/corporate-disclosures/financial-reports</p> <p>CHP’s SEC Form 17-A (2020 Annual Report) <i>(See page 58 to 61; Note 13 to the Audited Consolidated Financial Statements for 2020)</i> https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/cff43b95-7ec7-0273-01d7-bbe5b87296c3</p> <p>CHP’s SEC Form 17-Q (1st 2nd and 3rd quarters of 2020) <i>(See Note 10 to the interim unaudited consolidated financial statements)</i> https://www.cemexholdingsphilippines.com/documents/46587437/46588099/chp-amended-sec-form-17-q1st-quarter-2020-dated-27-may-2020-complete-signed.pdf/4b06ddc9-5423-bed6-c524-2d1b3c1a04d0</p> <p>https://www.cemexholdingsphilippines.com/documents/46587437/46588099/chp-form-17-q-dated-14-august-2020-2nd-quarter-2020.pdf/e6f44e72-e5d9-d1b6-db62-cef3bf30ee7e</p> <p>https://www.cemexholdingsphilippines.com/documents/46587437/49256260/chp-sec-17-q-dated-16-nov-2020-3rd-quarter-2020-complete-signed.pdf/9a6b911f-528f-1c56-7bae-4a320732a545</p>	
2. Board establishes a voting system whereby a majority of non-related party shareholders	Non-Compliant		CHP is subject to the requirements under the Revised Corporation Code of the Philippines including provisions designed to protect shareholders’ protection. Furthermore,

<p>approve specific types of related party transactions during shareholders' meetings.</p>			<p>CHP MRPT Policy defines the guidelines for the assessment and procedure for approval of related party transactions. The procedure requires, among others, the review and favorable endorsement of CHP's Audit Committee, the majority of members of which are independent directors.</p> <p>Furthermore, the parameters defining the relationship between CHP and CEMEX, S.A.B. de C.V. have been and are disclosed to the public. CHP is an indirect subsidiary of CEMEX, S.A.B. de C.V. ("CEMEX"), one of the largest cement companies in the world. We benefit from a continuous transfer of knowledge with CEMEX group, and CEMEX Asia Research AG is responsible for important contributions to new products that we have developed and launched in the Philippines. Access to CEMEX's broad product portfolio, experience and exposure to multiple sectors allows us to benefit from best practices, technologies and know-how in production techniques, marketing and sales strategies. These benefits enable us to introduce innovative products to our customers and implement techniques to improve our operational efficiency and reduce production costs, such as our adoption of alternative fuel sources. CEMEX's expertise has also helped us capture synergies and exploit cross-selling opportunities associated with CEMEX's trading network and brand recognition.</p> <p>On March 9, 2016, CHP entered into a Framework Agreement with CEMEX and its principal shareholder to avoid conflicts of interest between CHP and CEMEX. The Framework Agreement became effective upon commencement of trading of CHP's shares on the PSE last July 2016. The Framework Agreement governs, among other things, the CHP's ability to undertake certain actions including, but not limited to, the incurrence of indebtedness above certain levels, the disposition and acquisition of assets in excess of certain amounts and the making of capital expenditures in excess of certain amounts. In addition, the Framework Agreement contains provisions relating to competition, solicitation of employees, corporate opportunities, compliance with CEMEX's debt agreements, financial information, regulatory status, compliance with policies and procedures, share transfer rights, equity purchase rights, litigation, dispute resolution, and further actions and assurances.</p>
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			The Company believes that the foregoing statutory and contractual undertakings provide adequate guardrails to ensure that the rights of minority shareholders are respected.
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	<p>Pursuant to Section 1 of Article IV of CHP's Amended By-Laws and CHP's Revised Manual of Corporate Governance (22 March 2018), the Board of Directors is empowered to appoint the statutory officers of CHP and such other officers as it may determine to be necessary or proper, including without limitation the President & Chief Executive Officer, the Compliance Officer, the Internal Auditor and Vice Presidents.</p> <p>Reference: CHP's Latest Amended By-Laws https://www.cemexholdingsphilippines.com/documents/46587437/49660376/sec-certificate-filing-13-oct-2020.pdf/8d25b520-3f4e-51b9-0c93-cf062c7363da</p> <p>CHP's Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8ebcb532-4406-d26c-b444-4b6b1d794f69</p> <p>Appointment of Vice President for Cement Operations and Technical due to resignation https://www.cemexholdingsphilippines.com/documents/46587437/49256260/chp-form-17-c-dated-10-feb-2020-appointment-vice-president.pdf/f4c4e92d-2223-981a-31aa-2cd8b4076fa8</p> <p>Results of the Organizational Meeting of the Board of Directors held on June 24, 2020 - during which time the Board of Directors elected/appointed principal officers/senior management of CHP: https://www.cemexholdingsphilippines.com/documents/46587437/49256260/chp-form-17-c-dated-24-june-2020-results-of-the-organizational-meeting-of-the-board.pdf/dc4cadb8-3e67-19b7-2527-5b1296bdb94f</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>Pursuant to Section 1 of Article IV of CHP's Amended By-Laws and CHP's Revised Manual of Corporate Governance (22 March 2018), the Board of Directors is empowered to appoint the statutory officers of CHP and such other officers as it may determine to be necessary or proper, including without limitation the President & Chief Executive Officer, the Compliance Officer, the Internal Auditor and Vice Presidents. The Board of Director's responsibility of assessing performance is inherent in the powers of appointment.</p> <p>CHP's Latest Amended By-Laws https://www.cemexholdingsphilippines.com/documents/46587437/49660376/sec-certificate-filing-13-oct-2020.pdf/8d25b520-3f4e-51b9-0e93-cf062c7363da</p> <p>CHP's Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbcb532-4406-d26c-b444-4b6b1d794f69</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>Article 3(I) of CHP's Revised Manual of Corporate Governance (22 March 2018) recognizes that among the minimum internal control mechanisms for the performance of the Board's oversight responsibility include:</p> <p>a) The definition of the duties and responsibilities of the President/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 President/CEO;</p> <p>c) Evaluation of proposed senior management appointments;</p> <p>d) Selection and appointment of qualified and competent management officers; and</p> <p>e) Review of the corporation's human resource program for employees, and management succession plan.</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>Reference: CHP's Revised Manual of Corporate Governance</p>	

		(22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbcb532-4406-d26c-b444-4b6b1d794f69	
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Compliant	Article 3(I) of CHP's Revised Manual of Corporate Governance (22 March 2018) defines the Internal Control Responsibilities of the Board of Directors and related work scope of the Audit Committee of CHP. An Internal Auditor is appointed who has been supporting and assisting the Audit Committee and the Board of Directors oversee the implementation and monitoring of internal control system. Reference: CHP's Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbcb532-4406-d26c-b444-4b6b1d794f69 https://www.cemexholdingsphilippines.com/investors/corporate-governance/committees-of-the-board-of-directors CHP's Internal Audit Charter https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-internal-audit-charter-approved-on-6-february-2018.pdf/e458c0e5-f326-9e8b-c1dc-520c0a84d087	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant		
3. Board approves the Internal Audit Charter.	Compliant	Upon favorable endorsement of the Audit Committee, the Board of Directors approved on 6 February 2018 the Internal Audit Charter. Reference: CHP's Internal Audit Charter https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-internal-audit-charter-approved-on-6-february-2018.pdf/e458c0e5-f326-9e8b-c1dc-520c0a84d087	

Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	Among the functions of the Audit Committee is to support the Board of Directors by providing oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the corporation. This function shall include regular receipt from Management of information on risk exposures and risk management activities.	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies	Compliant	<p>CHP works on its enterprise risk management (ERM) processes aligned with the global CEMEX ERM approach which is designed to provide the structured approach to manage all important risks that could impact the company's objectives. A multitude of risks can affect CHP, its assets and employees, as well as its neighbors and stakeholders. Accordingly, we use risk management systems and tools to gather information from a range of sources, analyze the data, identify and assess potential risks, and then respond to them. These processes include an evaluation of environmental, health, and safety risks. We have several processes that test the robustness of our systems, evaluate compliance across all business units, and encourage continuous improvements. These processes include compliance training for employees, periodic reviews of our policies and procedures, and regular internal audits.</p> <p>During the regular quarterly meetings, the Audit Committee and the Board of Directors have the opportunity to review reports on assessments and audits of various risks affecting CHP.</p> <p>Reference: CHP's 2020 Annual Report (SEC Form 17-A) - which discusses major risks affecting the business of the organization https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/cff43b95-7ec7-0273-01d7-bbe5b87296c3</p> CHP's Sustainability Report for 2020 https://www.cemexholdingsphilippines.com/sustainability/reports	

Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	CHP's Revised Manual of Corporate Governance (22 March 2018) formalizes and clearly states, among others, the roles, responsibilities and accountabilities of the Board of Directors. This document is publicly available and posted on CHP's website.	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant	Reference: CHP's Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbcb532-4406-d26c-b444-4b6b1d794f69	
3. Board Charter is publicly available and posted on the company's website.	Compliant		
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	Compliant	CHP adheres to the global CEMEX Insider Trading Policy. The policy is posted on CHP's website. Reference: https://www.cemexholdingsphilippines.com/investors/corporate-governance/policies CEMEX Insider Trading Policy https://www.cemexholdingsphilippines.com/documents/46587437/46588168/insider-trading-policy-2013.pdf/8e4d5028-65b5-878a-0136-aa165e15cff6	
Optional: Principle 2			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.	Compliant	The granting of loans to directors is covered by CHP's Policy on Material Related Party Transactions. Reference: CHP's Policy on Material Related Party Transactions https://www.cemexholdingsphilippines.com/documents/46587437/46588159/chp-policy-material-related-party-transactions-3-sep-2019.pdf/3c0bd347-13e7-7171-f49f-97a7f0cd571a	
2. Company discloses the types of decision requiring board of directors' approval.		Indicate the types of decision requiring board of directors' approval and where there are disclosed.	

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

Recommendation 3.1

<p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	<p>Compliant</p>	<p>The Board of Directors established an Audit Committee and a Nomination Committee.</p> <p>Reference: Committees of the Board https://www.cemexholdingsphilippines.com/about-us/company-profile/board-of-committees</p> <p>CHP's Amended By-Laws https://www.cemexholdingsphilippines.com/documents/46587437/49660376/sec-certificate-filing-13-oct-2020.pdf/8d25b520-3f4e-51b9-0c93-cf062c7363da</p> <p>CHP's Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbcb532-4406-d26c-b444-4b6b1d794f69</p>	
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Recommendation 3.2

<p>1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.</p>	<p>Compliant</p>	<p>Information on the Audit Committee and its functions and responsibilities are provided in CHP's Revised Manual of Corporate Governance (22 March 2018), the Charter of the Audit Committee, and the Internal Audit Charter.</p> <p>The Audit Committee is responsible to recommend the appointment and removal of CHP's external auditor.</p> <p>Reference: Charter of the Audit Committee https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-charter-of-the-audit-committee-approved-on-25-october-2016.pdf/4c779113-a71a-76e4-77d2-22947bfa9ffd</p>	
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<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>During the Organizational Meeting of the Board of Directors held on June 24, 2020, 3 independent directors (Pedro Roxas, Alfredo Panlilio and Eleanor Hilado) and 1 non-executive director (Larry Jose Zea Betancourt) were appointed to the Audit Committee were comprised of 4 members, 3. The Chairman of the Audit Committee was Mr. Pedro Roxas, an independent director.</p> <p>As a result of the resignation of Mr. Zea in October 2020, Ms. Maria Garcia Villan, a non-executive director, was elected as member of the Board of Directors and appointed as member of the Audit Committee during the meeting of the Board of Directors held on December 2, 2020..</p> <p>Reference: Results of the Organizational Meeting of the Board of Directors held on June 24, 2020 https://www.cemexholdingsphilippines.com/documents/46587437/49256260/chp-form-17-c-dated-24-june-2020-results-of-the-organizational-meeting-of-the-board.pdf/dc4cadb8-3e67-19b7-2527-5b1296bdb94f</p> <p>Form 17-C dated December 2, 2020 on the election of a new member of the Board and Audit Committee https://www.cemexholdingsphilippines.com/documents/46587437/49660376/chp-sec-form-17-C-dated-2-december-2020-election-new-director.pdf/367dcd72-a611-f551-511f-19873f8733ee</p> <p>Members of the Board Committees https://www.cemexholdingsphilippines.com/about-us/company-profile/board-of-committees</p>	
<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	<p>Compliant</p>	<p>Background and information of members of the Audit Committee are found in CHP 2020 Annual Report (SEC Form 17-A) under Item 9 Part III.</p> <p>Reference: CHP's 2020 Annual Report (SEC Form 17-A) https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/cff43b95-7ec7-0273-01d7-bbe5b87296c3</p>	

<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	<p>Compliant</p>	<p>Background and information of members of the Audit Committee are found in CHP 2019 Annual Report (SEC Form 17-A). The Chairman of the Audit Committee is Mr. Pedro Roxas, who is not the Chairman of the Board and does not chair any other board committee.</p> <p>Reference: CHP's 2020 Annual Report (SEC Form 17-A) https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/eff43b95-7ec7-0273-01d7-bbe5b87296c3</p> <p>Results of the Organizational Meeting of the Board of Directors held on June 24, 2020 https://www.cemexholdingsphilippines.com/documents/46587437/49256260/chp-form-17-c-dated-24-june-2020-results-of-the-organizational-meeting-of-the-board.pdf/dc4cadb8-3e67-19b7-2527-5b1296bdb94f</p> <p>https://www.cemexholdingsphilippines.com/about-us/company-profile/board-of-committees</p>	
Supplement to Recommendation 3.2			
<p>1. Audit Committee approves all non-audit services conducted by the external auditor.</p>	<p>Compliant</p>	<p>The Audit Committee approves all non-audit services conducted by the external auditor.</p> <p>CHP's Revised Manual of Corporation Governance (22 March 2018) provides that the Audit Committee shall 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 Audit 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 CHP's annual report.</p> <p>Reference: CHP's Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate- </p>	

		governance-approved-on-22-march-2018.pdf/8cbcb532-4406-d26c-b444-4b6b1d794f69	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	In relation to the audit of financial statements for fiscal year 2020, the external audit team presented its audit findings and answered questions from the Audit Committee without presence of Management.	
Optional: Recommendation 3.2			
1. Audit Committee meets at least four times during the year.	Compliant	In 2020, the Audit Committee convened and held 6 meetings: 10 February, 2 April, 30 April, 24 July, 26 October and 2 December. Reference: CHP's 2020 Annual Report (SEC Form 17-A) [See page 65] https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/eff43b95-7ec7-0273-01d7-bbe5b87296e3	
2. Audit Committee approves the appointment and removal of the internal auditor.	Compliant	Among the specific duties and responsibilities of CHP's Audit Committee is the review of the appointment and replacement of the Internal Auditor. Reference: Charter of the Audit Committee [Section 4.3] https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-charter-of-the-audit-committee-approved-on-25-october-2016.pdf/4c779113-a71a-76e4-77d2-22947bfa9ffd	
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Non-Compliant		CHP does not have a Corporate Governance Committee (CGC). The functions ascribed to the CGC fall under the scope of the Audit Committee. Given that CHP and its subsidiaries are not engaged in multiple lines of businesses and that the organization is structured to operate in a relatively lean manner to promote efficiency, the Board of Directors has not determined a need to create another committee.

2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Non-Compliant		<p>The functions ascribed to the CGC fall under the scope of the Audit Committee. Given that CHP and its subsidiaries are not engaged in multiple lines of businesses and that the organization is structured to operate in a relatively lean manner to promote efficiency, the Board of Directors has not determined a need to create another committee.</p> <p>Following the Annual Meeting of Stockholders in 2019 which resulted in the election to the Board of Directors of 3 independent directors, the members of the Audit Committee were comprised of 4 members, 3 of whom were independent directors and the remaining member a non-executive director.</p>
3. Chairman of the Corporate Governance Committee is an independent director.	Non-Compliant		<p>The functions ascribed to the CGC fall under the scope of the Audit Committee. Given that CHP and its subsidiaries are not engaged in multiple lines of businesses and that the organization is structured to operate in a relatively lean manner to promote efficiency, the Board of Directors has not determined a need to create another committee.</p> <p>The Chairman of the Audit Committee is Mr. Pedro Roxas, who is an independent director.</p>
Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.		Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.	
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Non-Compliant		CHP does not have a Board Risk Oversight Committee (BROC). The functions ascribed to the BROC fall under the scope of the Audit Committee. Given that CHP and its subsidiaries are not engaged in multiple lines of businesses and that the organization is structured to operate in a relatively lean manner to promote efficiency, the Board of Directors has not determined a need to create another committee.
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Non-Compliant		The functions ascribed to the BROC fall under the scope of the Audit Committee. Given that CHP and its subsidiaries are not engaged in multiple lines of businesses and the organization is structured to operate in a relatively lean manner to promote efficiency, the Board has not determined a need to create another committee.

			Following the Annual Meeting of Stockholders in 2019 which resulted in the election to the Board of Directors of 3 independent directors, the members of the Audit Committee were comprised of 4 members, 3 of whom were independent directors and the remaining member a non-executive director.
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Non-Compliant		This function falls under the scope of the Audit Committee. The Chairman of the Audit Committee is Mr. Pedro Roxas, an independent director.
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Non-Compliant		This function falls under the scope of the Audit Committee. Given that CHP and its subsidiaries are not engaged in multiple lines of businesses and that the organization is structured to operate in a relatively lean manner to promote efficiency, the Board of Directors has not determined a need to create another committee.
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Non-Compliant		CHP does not have a Related Party Transactions Committee (RPTC). The functions ascribed to RPTC fall under the scope of the Audit Committee. Given that CHP and its subsidiaries are not engaged in multiple lines of businesses and that the organization is structured to operate in a relatively lean manner to promote efficiency, the Board of Directors has not determined a need to create another committee.
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Non-Compliant		<p>CHP does not have an RPTC. The functions ascribed to RPTC fall under the scope of the Audit Committee. Given that CHP and its subsidiaries are not engaged in multiple lines of businesses and that the organization is structured to operate in a relatively lean manner to promote efficiency, the Board of Directors has not determined a need to create another committee.</p> <p>Following the Annual Meeting of Stockholders in 2020 which resulted in the election to the Board of Directors of 3 independent directors, the members of the Audit Committee were comprised of 4 members, 3 of whom were independent directors and the remaining member a non-executive director. The Chairman of the Audit Committee is Mr. Pedro Roxas, an independent director.</p>

Recommendation 3.6			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	The respective charters of the Audit Committee and the Nomination Committee contain relevant information regarding scope of functions and responsibilities of the committee and procedures. These charters are posted on CHP's website. Reference: Charter of the Audit Committee https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-charter-of-the-audit-committee-approved-on-25-october-2016.pdf/4c779113-a71a-76e4-77d2-22947bfa9ffd	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant	Charter of the Nomination Committee https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-charter-of-the-nomination-committee-approved-on-25-october-2016.pdf/405c60c4-e445-6b2e-fa2e-70427c129da7	
3. Committee Charters were fully disclosed on the company's website.	Compliant		

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

Recommendation 4.1			
1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	Section 7 Article III of the Amended By-Laws of CHP provide the procedure to be observed for tele/videoconferencing meetings of the Board of Directors. The respective charters of the Audit Committee and the Nomination Committee also provide for the conduct of meetings in person or by tele/videoconferencing or similar means. Reference: CHP's Latest Amended By-Laws https://www.cemexholdingsphilippines.com/documents/46587437/49660376/sec-certificate-filing-13-oct-2020.pdf/8d25b520-3f4e-51b9-0c93-cf062c7363da CHP's Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8ebcb532-4406-d26c-b444-4b6b1d794f69	

		<p>Certificate of Directors' Attendance in 2020 https://www.cemexholdingsphilippines.com/documents/46587437/52251025/chp-letter-sec-dated-6-jan-2021-certificate-of-directors-attendance-2020.pdf/6f484794-7195-49b4-e2e3-a2c284cfe215</p> <p>CHP's 2020 Annual Report (SEC Form 17-A) <i>[See pages 65 and 66]</i> https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/cff43b95-7ec7-0273-01d7-bbe5b87296c3</p> <p>Charter of the Audit Committee https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-charter-of-the-audit-committee-approved-on-25-october-2016.pdf/4c779113-a71a-76e4-77d2-22947bfa9ffd</p> <p>Charter of the Nomination Committee https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-charter-of-the-nomination-committee-approved-on-25-october-2016.pdf/405c60c4-e445-6b2e-fa2e-70427c129da7</p>	
<p>2. The directors review meeting materials for all Board and Committee meetings.</p>	<p>Compliant</p>	<p>In accordance with Article 3(M) of CHP's Revised Manual of Corporate Governance (22 March 2018), the Corporation Secretary is tasked with the responsibility of informing the members of the Board of Directors of the agenda of their meetings and ensuring that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval.</p> <p>Directors are furnished with materials for meetings of the Board and Committee for their review and consideration before the meeting.</p> <p>Reference: CHP's Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbcb532-4406-d26c-b444-4b6b1d794f69</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>CHP's Revised Manual of Corporate Governance (22 March 2018) requires members of the Board of Directors to devote sufficient time to familiarize themselves with the corporation's business. The directors should be constantly aware of, and knowledgeable with, the corporation's operations to enable them to meaningfully contribute to the Board's work. Each director should attend and actively participate in Board and committee meetings, review meeting materials and, if called for, ask questions or seek explanation.</p> <p>Minutes of board meetings reflect discussion of matters including clarifications or explanations.</p> <p>CHP's Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbcb532-4406-d26c-b444-4b6b1d794f69</p>	
<p>Recommendation 4.2</p>			
<p>1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.</p>	<p>Compliant</p>	<p>CHP SEC Form 17-A (2020 Annual Report), Part III (for directors as of end December 2020) include a write-up of each of the directors of CHP stating their directorships in other companies, where applicable. The maximum of board memberships in 5 publicly-listed companies is observed.</p> <p>Reference: CHP's 2020 Annual Report (SEC Form 17-A) <i>[See pages 46 to 49]</i> https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/cff43b95-7ec7-0273-01d7-bbe5b87296c3</p>	
<p>Recommendation 4.3</p>			
<p>1. The directors notify the company's board before accepting a directorship in another company.</p>	<p>Compliant</p>	<p>CHP SEC Form 17-A (2020 Annual Report), Part III (for directors as of end December 2020) include a write-up of each of the directors of CHP stating their directorships in other companies, where applicable. The maximum of board memberships in 5 publicly-listed companies is observed.</p> <p>Reference:</p>	

		<p>CHP's 2020 Annual Report (SEC Form 17-A) <i>[See pages 46 to 49]</i> https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/cff43b95-7ec7-0273-01d7-bbe5b87296c3</p>	
Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	Compliant	The executive directors, i.e., Messrs. Ignacio Alejandro Mijares Elizondo and Alejandro Garcia Cogollos, do not serve in more than two boards of listed companies outside the CHP Group.	
2. Company schedules board of directors' meetings before the start of the financial year.	Compliant	<p>Among the responsibilities of the Corporate Secretary is to assist the Board in the preparation of an annual schedule of Board and Committee meetings and the annual board calendar.</p> <p>Reference: CHP's Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbcb532-4406-d26c-b444-4b6b1d794f69</p> <p>The Corporate Secretary circulates to the Board of Directors before end of the year a proposed calendar of meeting dates for the coming year. The final dates of the meetings are confirmed as each quarter progresses, depending on contingencies affecting the respective schedules of the board members.</p>	
3. Board of directors meet at least six times during the year.	Compliant	<p>Reference: Certificate of Directors' Attendance in 2020 https://www.cemexholdingsphilippines.com/documents/46587437/52251025/chp-letter-sec-dated-6-jan-2021-certificate-of-directors-attendance-2020.pdf/6f484794-7195-49b4-e2e3-a2c284cfe215</p>	
4. Company requires as minimum quorum of at least 2/3 for board decisions.			

Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs			
Recommendation 5.1			
<p>1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.</p>	<p>Compliant</p>	<p>Reference: Results of the Annual Meeting of Stockholders held on June 24, 2020 https://www.cemexholdingsphilippines.com/documents/46587437/49256260/chp-form-17-c-dated-24-june-2020-results-of-the-annual-meeting-of-stockholders.pdf/7519fe15-55f2-fbf5-3838-404485a92a01 Draft Minutes of the Annual Meeting of Stockholders held on June 24, 2020 https://www.cemexholdingsphilippines.com/documents/46587437/46588174/chp-annual-stockholders-meeting-24-june-2020.pdf/ac70bc26-55bd-d73e-be3b-7b4cc837c555 Members of CHP's Board of Directors https://www.cemexholdingsphilippines.com/about-us/company-profile/board-of-directors</p>	
Recommendation 5.2			
<p>1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.</p>	<p>Compliant</p>	<p>CHP SEC Form 17-A (2020 Annual Report), Part III (for directors as of end December 2020) include a write-up of each of the independent directors of CHP. Reference: CHP's 2020 Annual Report (SEC Form 17-A) <i>[See pages 46 to 47]</i> https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/cff43b95-7ec7-0273-01d7-bbe5b87296c3</p>	
Supplement to Recommendation 5.2			
<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>CHP's Amended By-Laws and Revised Manual of Corporate Governance (22 March 2018) provide the general principles and values to be observed by the Board of Directors. Reference: CHP's Latest Amended By-Laws https://www.cemexholdingsphilippines.com/documents/46587437/49660376/sec-certificate-filing-13-oct-2020.pdf/8d25b520-3f4e-51b9-0c93-cf062e7363da</p>	

		<p>CHP’s Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbcb532-4406-d26c-b444-4b6b1d794f69</p>	
Recommendation 5.3			
<p>1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).</p>	Compliant	<p>Article 3 (F)(ix) of CHP’s Revised Manual of Corporate Governance (22 March 2018) provides that: “The Board’s Independent Directors shall serve for a maximum cumulative term of nine (9) years; after which, the individual serving as Independent Director shall be perpetually barred from re-election as such in the Corporation, but may continue to qualify for nomination and election as a non-independent director. Should the Corporation decide to retain in the same capacity an Independent Director who has served for nine (9) years, the Board should provide meritorious justification and seek shareholders’ approval during the annual shareholders’ meeting.”</p> <p>Reference: CHP’s Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbcb532-4406-d26c-b444-4b6b1d794f69</p>	
<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	Compliant	<p>Article 3 (F)(ix) of CHP’s Revised Manual of Corporate Governance (22 March 2018) provides that: “The Board’s Independent Directors shall serve for a maximum cumulative term of nine (9) years; after which, the individual serving as Independent Director shall be perpetually barred from re-election as such in the Corporation, but may continue to qualify for nomination and election as a non-independent director. Should the Corporation decide to retain in the same capacity an Independent Director who has served for nine (9) years, the Board should provide meritorious justification and seek shareholders’ approval during the annual shareholders’ meeting.”</p>	

		<p>Reference: CHP's Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cebb532-4406-d26c-b444-4b6b1d794f69</p>	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Compliant	Two of CHP's independent directors, Messrs. Alfredo S. Panlilio and Pedro Roxas, began their respective tenures as independent directors only in July 2016. Ms. Eleanor M. Hilado began her tenure as independent director on 6 June 2019.	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	<p>In 2020, the position of CHP's Board Chairman was occupied by (i) Mr. Joaquin Miguel Estrada Suarez until his resignation effective on March 27, 2020 and thereafter (ii) Mr. Sergio Mauricio Menendez Medina from April 2, 2020. CHP's President & Chief Executive Officer is Mr. Ignacio Alejandro Mijares Elizondo.</p> <p>Reference: Amended 2019 General Information Sheet dated May 26, 2020 https://www.cemexholdingsphilippines.com/documents/46587437/49256260/gis-amended-2019-cemex-holdings-philippines-redacted-sec-submitted-27-may-2020.pdf/c1238a22-0718-a17f-f901-8ce71594c5da</p> <p>2020 General Information Sheet dated June 30, 2020 https://www.cemexholdingsphilippines.com/documents/46587437/49256260/chp-general-information-sheet-30-june-2020.pdf/cf2574f1-b7f5-8dfd-2fcf-787265a397b6</p> <p>Amended 2020 General Information Sheet dated December 3, 2020 https://www.cemexholdingsphilippines.com/documents/46587437/49660376/amended-2020-general-information-sheet-chp-3-december-2020-complete-notarized-redacted.pdf/664b74fa-8ab2-9126-3497-</p>	

		3c0bef3ccb43	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	<p>The respective roles and responsibilities of the Chairman of the Board and the President & CEO are provided in Section 3 Article IV of CHP's Amended By-Laws and Article 3(C) of CHP's Revised Manual of Corporate Governance (22 March 2018).</p> <p>Reference: CHP's Latest Amended By-Laws https://www.cemexholdingsphilippines.com/documents/46587437/49660376/sec-certificate-filing-13-oct-2020.pdf/8d25b520-3f4e-51b9-0c93-cf062c7363da</p> <p>CHP's Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbcb532-4406-d26c-b444-4b6b1d794f69</p>	
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Compliant	<p>Article 3 (A) of CHP's Revised Manual of Corporate Governance (22 March 2018) provides that: "If the Chairman of the Board is not an Independent Director, the Board shall, upon the request of the Independent Directors, designate a lead director among the Independent Directors whose functions shall include, among others, serving as an intermediary between the Chairman and other Independent Directors, when necessary, and shall chair the meetings among non-executive directors."</p> <p>Since the Chairman of the Board is not an independent director, Mr. Pedro Roxas was designated lead director among the independent directors during the organizational meeting of the Board of Directors on June 24, 2020.</p> <p>Reference:</p>	

		<p>CHP's Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbcb532-4406-d26c-b444-4b6b1d794f69</p> <p>Results of the Organizational Meeting of the Board of Directors held on June 24, 2020 https://www.cemexholdingsphilippines.com/documents/46587437/49256260/chp-form-17-c-dated-24-june-2020-results-of-the-organizational-meeting-of-the-board.pdf/dc4cadb8-3e67-19b7-2527-5b1296bdb94f</p>	
Recommendation 5.6			
<p>1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.</p>	Compliant	<p>Article 3(H) of CHP's Revised Manual of Corporate Governance (22 March 2018) provides in part that 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.</p> <p>Reference: CHP's Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbcb532-4406-d26c-b444-4b6b1d794f69</p> <p>There has not been any instance for this principle to be invoked.</p>	
Recommendation 5.7			
<p>1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.</p>	Compliant	<p>The members of the Audit Committee are NEDs, specifically, three independent directors and one non-executive director. Through the meetings of the Audit Committee throughout 2020, the NEDs had the opportunity to meet with the external auditor, the Internal Auditor, the Compliance Officer and head of risk functions (ERM),</p>	

		respectively, without any senior management or executive present.	
2. The meetings are chaired by the lead independent director.	Compliant	The Chairman of the Audit Committee is Mr. Pedro Roxas who is the lead independent director.	
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.	Compliant	Mr. Ignacio Alejandro Mijares Elizondo, the President & CEO of CHP, is a member of the Board of Directors. None of the other members of the Board of Directors is a former CEO of CHP. Reference: CHP's 2020 Annual Report (SEC Form 17-A) [See pages 46 to 49] https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/cff43b95-7ec7-0273-01d7-bbe5b87296c3	
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. Board conducts an annual self-assessment of its performance as a whole.	Compliant	Article 8 of CHP's Revised Manual of Corporate Governance (22 March 2018) recognizes the authority of the Board of Directors to create an internal self-rating system that can measure the performance of the Board. The Board of Directors adopted on January 30, 2019 a Framework for a Self-Rating Performance System which provides the process and criteria for self-assessment of performance of the members of the Board of Directors and board committees. For the assessment of 2020's performance of the board and each of the committees, the CHP engaged the services of the Institute of Corporate Directors ("ICD") to perform the evaluation exercise which was conducted in January through February 2021.	
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	Reference: CHP's 2020 Annual Report (SEC Form 17-A) [See page 62] https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/cff43b95-7ec7-0273-01d7-bbe5b87296c3	
5. Every three years, the assessments are supported by an external facilitator.	Compliant		
Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	CHP's Revised Manual of Corporate Governance (22 March 2018) provides the qualifications and criteria for directors and members of the Committees, as well as process by which shareholders have the right to submit their nominations for election to the Board of Directors. CHP's website provides the various channels by which feedback can be given by shareholders, including the ETHOS Line which is an open and confidential communication channel or feedback mechanism through which employees, stakeholders and the general public may submit suggestions, inquiries and report alleged ethics, compliance or governance violations.	
2. The system allows for a feedback mechanism from the shareholders.	Compliant	<p>The Board of Directors adopted on January 30, 2019 a Framework for a Self-Rating Performance System which provides the process and criteria for self-assessment of performance of the members of the Board of Directors and board committees.</p> <p>Through the Investor Relations team and the Corporate Communications team, the Company communicates with its stockholders and other stakeholders and keeps the Company's investors and relevant stakeholders regularly informed of developments in the Company's business. The Company's Sustainability Report identifies the channels through which feedback and communications with various stakeholders are received by the Company. These include social media platforms. The Investor Relations team conducts on a quarterly basis conference calls and webcast presentations which are accessible to its stockholders, during which time the President & Chief Executive Officer presents the operational and financial quarter results of the Company and responds to questions raised by attendees. In 2020, the relevant conference calls and webcast presentations were held on February 13, May 4, July 28 and October 29. The Corporate Communications team</p>	

		<p>conducted in November 2020 the annual stakeholders' meetings with community leaders and representatives in Antipolo City, Rizal and Naga City, Cebu, which are the principal areas in which the Company operates. The Corporate Communications team also participated in barangay dialogues and council sessions in impacted communities, and took part in quarterly multi-partite monitoring activities with relevant government agencies, which provided the forum for assessing the progress of Company-led or supported initiatives or social and community programs and addressing concerns of its stakeholders.</p> <p>Reference: CHP's 2020 Annual Report (SEC Form 17-A) https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/cff43b95-7ec7-0273-01d7-bbe5b87296c3</p> <p>CHP's Sustainability Report for 2020 https://www.cemexholdingsphilippines.com/sustainability/reports</p> <p>ETHOS Line https://www.cemexholdingsphilippines.com/about-us or https://www.cemexholdingsphilippines.com/investors/corporate-governance/code-of-ethics</p>	
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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

1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	<p>Reference: https://www.cemexholdingsphilippines.com/about-us/ethics-and-compliance or https://www.cemexholdingsphilippines.com/investors/corporate-governance/code-of-ethics</p>	
2. The Code is properly disseminated to the Board,	Compliant	Members of the Board of Directors have been informed about the Code of Ethics and Business Conduct (the Code).	

senior management and employees.		<p>The Code is posted on CHP’s website. Senior management and employees of CHP and its subsidiaries are provided access to the Code through the CEMEX Shift, an intra-group collaboration platform.</p> <p>In 2020, the employees of the organization received training on various topics governed by the Code, dedicating more than 9,700 training manhours related to Anti-Corruption and Anti-Bribery, Competition and Anti-Trust, Corporate Governance, Safety, Health & Wellness, Code of Ethics and Business Conduct, and Labor Education. Training programs for employees were also conducted for other functional and technical topics and focus areas.</p> <p>Reference: CHP’s 2020 Annual Report (SEC Form 17-A) https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/cff43b95-7ec7-0273-01d7-bbe5b87296c3</p> <p>CHP’s Sustainability Report for 2020 https://www.cemexholdingsphilippines.com/sustainability/reports</p>	
3. The Code is disclosed and made available to the public through the company website.	Compliant	<p>Reference: https://www.cemexholdingsphilippines.com/about-us/ethics-and-compliance or https://www.cemexholdingsphilippines.com/investors/corporate-governance/code-of-ethics</p>	
Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Compliant	<p>The Code of Ethics and Business Conduct (Code) is designed to govern our relationships with all of our stakeholders, and addresses anti-bribery, antitrust compliance, prevention of money laundering, related-person transactions, workplace safety, health, environmental responsibility, confidentiality terms, conflicts of interest, financial controls and records, and preservation of assets. Through the organization’s ethics committees, training programs, global integrity campaigns and secure internal communications channels, awareness and enforcement of this Code are promoted.</p>	

		<p>Employees, officers and directors are supposed to comply with our Code. Failure to comply with our Code will be considered misconduct and may subject the erring employee, officer or director to disciplinary action.</p> <p>The Code discusses the principles governing the conduct of government relations and contains policies against bribery.</p> <p>Among several implementing global policies of CEMEX that CHP adheres to are:</p> <ul style="list-style-type: none"> · Global Anti-Corruption Policy · Global Anti-Money Laundering Policy · Global Anti-Trust Compliance Policy · Code of Conduct when Doing Business with Us · Insider Trading Policy <p>Reference: https://www.cemexholdingsphilippines.com/investors/corporate-governance</p> <p>Global Anti-Corruption Policy https://www.cemexholdingsphilippines.com/documents/46587437/46588168/2019-global-anti-corruption-policy-2.pdf/e3ada5f9-a560-f451-0460-d48e9fb8ecfc</p> <p>Code of Conduct when Doing Business with Us https://www.cemexholdingsphilippines.com/documents/46587437/46588168/supplier-code-of-conduct_EN_2019.pdf/e39fd446-dc8f-bf88-599a-44f551294aa5</p> <p>CHP's Sustainability Report for 2020 https://www.cemexholdingsphilippines.com/sustainability/reports</p>	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	Article 3(I) of CHP's Revised Manual of Corporate Governance (22 March 2018) defines the Internal Control Responsibilities of the Board of Directors and related work scope of the Audit Committee of CHP encompassing the implementation and monitoring of compliance with the Code of Ethics and Business Conduct (Code) and other	

		<p>policies of the company.</p> <p>Reference: CHP’s Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbcb532-4406-d26c-b444-4b6b1d794f69</p> <p>Senior management and employees have access to the Code of Ethics and Business Conduct through the CEMEX Shift, an intra-group collaboration platform.</p> <p>In 2020, the employees of the organization received training on various topics governed by the Code, dedicating more than 9,700 training manhours related to Anti-Corruption and Anti-Bribery, Competition and Anti-Trust, Corporate Governance, Safety, Health & Wellness, Code of Ethics and Business Conduct, and Labor Education. Training programs for employees were also conducted for other functional and technical topics and focus areas.</p> <p>Reference: CHP’s 2020 Annual Report (SEC Form 17-A) https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/cff43b95-7ec7-0273-01d7-bbe5b87296c3</p> <p>CHP’s Sustainability Report for 2020 https://www.cemexholdingsphilippines.com/sustainability/reports</p>	
<p>2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.</p>	<p>Compliant</p>	<p>Article 3(I) of CHP’s Revised Manual of Corporate Governance (22 March 2018) defines the Internal Control Responsibilities of the Board of Directors and related work scope of the Audit Committee of CHP encompassing the implementation and monitoring of compliance with the Code of Ethics and Business Conduct (Code) and other policies of the company.</p> <p>Reference: CHP’s Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/4</p>	

		<p>6587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbcb532-4406-d26c-b444-4b6b1d794f69</p> <p>Senior management and employees have access to various company policies through the CEMEX Shift, an intra-group collaboration platform.</p> <p>In 2020, the employees of the organization received training on various topics governed by the Code, dedicating more than 9,700 training manhours related to Anti-Corruption and Anti-Bribery, Competition and Anti-Trust, Corporate Governance, Safety, Health & Wellness, Code of Ethics and Business Conduct, and Labor Education. Training programs for employees were also conducted for other functional and technical topics and focus areas.</p> <p>Reference: CHP's 2020 Annual Report (SEC Form 17-A) https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/cff43b95-7ec7-0273-01d7-bbe5b87296c3</p> <p>CHP's Sustainability Report for 2020 https://www.cemexholdingsphilippines.com/sustainability/reports</p>	
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Disclosure and Transparency

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

Recommendation 8.1

<p>1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business</p>	<p align="center">Compliant</p>	<p>Article 9 of CHP's Revised Manual of Corporate Governance (22 March 2018) mandates the disclosure and transparency policy of the organization. It provides that the essence of corporate governance is transparency. Thus, all material information about the corporation which could adversely affect its viability or the interests of its stockholders and other stakeholders should be publicly and timely disclosed. Such information should include, among others, earnings results, acquisition or disposition of assets, off balance sheet transactions, related party transactions, and direct and indirect remuneration of members of the Board of Directors and Management.</p>	
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operations.		<p>The Board of Directors is always committed to full disclosure of material information dealings and has caused the filing of all required information through the PSE and submissions to the SEC for the interest of its stockholders and other stakeholders.</p> <p>Reference: CHP's Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cceb532-4406-d26c-b444-4b6b1d794f69</p>	
Supplement to Recommendations 8.1			
<p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty- five (45) days from the end of the reporting period.</p>	Compliant	<p>The annual and quarterly consolidated financial reports of CHP are disclosed and published by way of investors' briefings or webcast conducted by CHP within the specified period.</p> <p>These reports are also published on CHP's website and the PSE EDGE portal which can be freely accessed by CHP's stockholders and the public.</p> <p>Reference: https://www.cemexholdingsphilippines.com/investors/corporate-disclosures/financial-reports</p> <p>CHP's SEC Form 17-A (2020 Annual Report) https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/eff43b95-7ec7-0273-01d7-bbe5b87296c3</p> <p>CHP's SEC Form 17-Q (1st 2nd and 3rd quarters of 2020) https://www.cemexholdingsphilippines.com/documents/46587437/46588099/chp-amended-sec-form-17-q1st-quarter-2020-dated-27-may-2020-complete-signed.pdf/4b06ddc9-5423-bed6-c524-2d1b3c1a04d0 https://www.cemexholdingsphilippines.com/documents/46587437/46588099/chp-form-17-q-dated-14-august-2020-2nd-quarter-2020.pdf/e6f44e72-e5d9-d1b6-db62-cef3bf30ee7e</p>	

		https://www.cemexholdingsphilippines.com/documents/46587437/49256260/chp-sec-17-q-dated-16-nov-2020-3rd-quarter-2020-complete-signed.pdf/9a6b911f-528f-1c56-7bae-4a320732a545	
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.	Compliant	<p>CHP's Annual Reports discuss various transactions and risks associated with subsidiaries or affiliates of CEMEX and other related parties.</p> <p>These reports are published on CHP's website and the PSE EDGE portal which can be freely accessed by CHP's stockholders and the public.</p> <p>Reference: CHP's SEC Form 17-A (2020 Annual Report) https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/cff43b95-7ec7-0273-01d7-bbe5b87296c3</p> <p>https://www.cemexholdingsphilippines.com/investors/corporate-disclosures/financial-reports</p>	
Recommendation 8.2			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	<p>Directors and officers of CHP are required to disclose or report to the Compliance Officer any dealings in CHP's shares within two (2) days. Reminder notices by email are sent by the Compliance Officer on a periodic basis.</p> <p>The requisite SEC Forms 23-A and 23-B have been filed by CHP.</p>	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	<p>Reference: https://www.cemexholdingsphilippines.com/investors/corporate-disclosures/sec-filings</p>	
Supplement to Recommendation 8.2			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and	Compliant	<p>On a quarterly basis, CHP's Public Ownership Report is posted on PSE EDGE portal, which report includes the shareholdings structure of CHP specifically the shares held by members of the Board of Directors, its key executive officers and controlling shareholder. These are</p>	

<p>controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).</p>		<p>likewise posted on CHP's website.</p> <p>Within the prescribed periods of SEC and PSE, Forms 23-A and 23-B are filed with the SEC and PSE (and accordingly posted on PSE Edge). These forms are also posted on CHP's website.</p> <p>Reference: https://www.cemexholdingsphilippines.com/investors/corporate-disclosures/shareholdings-structure</p>	
Recommendation 8.3			
<p>1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	<p>Compliant</p>	<p>The background, education and training and work experience of members of the Board of Directors are discussed in CHP's Annual Reports (SEC Form 17-A) and in the various Definitive Information Statements circulated to stockholders prior to annual meetings of stockholders. These documents are posted on CHP's website and available on PSE Edge portal.</p> <p>Reference: CHP's SEC Form 17-A (2020 Annual Report) https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/cff43b95-7ec7-0273-01d7-bbe5b87296c3</p> <p>CHP's Definitive Information Statements https://www.cemexholdingsphilippines.com/investors/shareholders-meetings</p>	
<p>2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	<p>Compliant</p>	<p>The background, education and training and work experience of executive officers of the Board of Directors are discussed in CHP's Annual Reports (SEC Form 17-A) and in the various Definitive Information Statements circulated to stockholders prior to annual meetings of stockholders. These documents are posted on CHP's website and available on PSE Edge portal.</p> <p>Reference: CHP's SEC Form 17-A (2020 Annual Report) https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/cff43b95-7ec7-0273-01d7-bbe5b87296c3</p>	

		<p>CHP's Definitive Information Statements https://www.cemexholdingsphilippines.com/investors/shareholders-meetings</p>	
Recommendation 8.4			
<p>1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.</p>	<p>Compliant</p>	<p>Section 8 Article III of CHP's Amended By-Laws provide that members of the Board of Directors shall be entitled to receive compensation as such for the discharge of the duties of supervision and collegiate decision-making proper to said management body.</p> <p>Article 3(K) of CHP's Revised Manual of Corporate Governance (22 March 2018) provides that the Board of Directors shall have the sole authority, in accordance with the By-laws, to determine the amount, form and structure of the fees and other compensation of the directors. However, in no case shall the total yearly compensation of directors received for the discharge of duties as members of the Board of Directors or adhoc members of Committees of the corporation exceed the maximum threshold if any applicable under relevant law or regulation.</p> <p>Reference: CHP's Latest Amended By-Laws https://www.cemexholdingsphilippines.com/documents/46587437/49660376/sec-certificate-filing-13-oct-2020.pdf/8d25b520-3f4e-51b9-0c93-cf062c7363da</p> <p>CHP's Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8c9cb532-4406-d26c-b444-4b6b1d794f69</p> <p>The Board of Directors approved in a special meeting held on June 3, 2016 the following honorarium fee/per diem for independent directors of the Corporation: (i) an honorarium fee/ per diem equivalent to Php 450,000.00 (computed on an annual basis) for acting as director and (ii) an honorarium fee/per diem equivalent to Php 90,000.00 (computed on an annual basis) per Committee membership. To date, the other members of the Board of Directors do not receive any compensation, directly or</p>	

		<p>indirectly, for the discharge of their duties as director of CHP or as member of any of the Committees of the Board of Directors.</p> <p>Reference: CHP’s SEC Form 17-A (2020 Annual Report) https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/cff43b95-7ec7-0273-01d7-bbe5b87296c3</p>	
<p>2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.</p>	<p>Compliant</p>	<p>The company applies a formal compensation framework which is aligned with CEMEX’s global approach to performance-based pay and overall executive compensation strategy. The performance-based remuneration schemes applied by the company are designed to allow the company to attract, motivate and retain highly qualified employees, to obtain from each employee the best possible performance, to establish performance goals that support the company’s long-term business strategies, to align employee and shareholder interests, and to provide consistency with CEMEX’s approach to performance-based pay and overall executive compensation strategy. Compensation is linked to performance. Annual performance is assessed based on delivery of set individual and country goals.</p> <p>The organization provides a compensation package to its executives that has a fixed and variable component. The fixed component pertains to the basic salary and annual salary increases are determined on the basis of the executives’ performance and position on the defined salary range. The variable component pertains to a variable compensation program that is paid based on the organization’s performance and executive’s individual performance.</p>	

<p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p>	<p>Non-Compliant</p>		<p>CHP refrains from disclosing the remuneration of executives on an individual basis, including termination and retirement provisions. Executives are entitled to benefits under various incentive schemes depending on various factors. Each executive is normally not privy to information concerning the compensation of other executives of CHP and in the rest of the CEMEX organization. Furthermore, disclosure of remuneration of executives on an individual basis exposes CHP to potential loss of key executives and would not be in the interests of CHP. CHP likewise considers potential security issues in case this information is publicly provided.</p>
Recommendation 8.5			
<p>1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.</p>	<p>Compliant</p>	<p>Article 3(K)(ii) of CHP's Revised Manual of Corporate Governance (22 March 2018) mandates that the Audit Committee shall:</p> <ul style="list-style-type: none"> - Evaluate and monitor material Related Party Transactions to ensure compliance with relevant company policy and procedures and recommend to the Board changes or improvements in policy and procedures. Review must take the following into consideration: <ul style="list-style-type: none"> a)the nature of the parties' interest in the transaction; b)the essential terms of the transactions, including the amount involved and the type of transactions; c)the importance of the transaction for the Corporation and the Related Party; d)whether the transaction could affect the impartiality of any of the Corporation's directors with respect to the interest of the Corporation and any of its shareholders; e)fair treatment of shareholders; and f)any other circumstance deemed relevant by the Audit Committee <p>Article 4 of CHP's Revised Manual of Corporate Governance (22 March 2018) also provides the following: "Transactions with a Related Party shall be entered into on terms and conditions that are arm's-length, with sufficient documentation and coursed through the appropriate levels of approval authority. The Corporation may obtain transfer pricing studies when market prices and/or market conditions under comparable circumstances are not readily available to assure compliance with relevant regulations applicable to transactions between Related Parties.</p>	

		<p>“Any amendment, revision, extension or supplement to the following material terms and conditions of the Corporation’s license agreements involving the trademark and other intellectual properties of, and service agreements with, CEMEX shall require the affirmative vote of at least two independent directors: a)royalty/license fee or service fee, as applicable, payable to CEMEX; and b)term of the agreement.”</p> <p>Reference: CHP’s Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbb532-4406-d26c-b444-4b6bd794f69</p> <p>On September 3, 2019, the Board of Directors approved a <i>Policy on Material Related Party Transactions</i> in furtherance of SEC Memorandum Circular No. 10, Series of 2019.</p> <p>Reference: CHP’s Policy on Material Related Party Transactions https://www.cemexholdingsphilippines.com/documents/46587437/46588159/chp-policy-material-related-party-transactions-3-sep-2019.pdf/3c0bd347-13e7-7171-f49f-97a7f0cd571a</p> <p>Specific information concerning transactions with “related parties” (regardless of amount) are disclosed in the quarterly reports/SEC Form 17-Q (specifically Note 10 to the interim consolidated financial statements attached thereto) and annual report (SEC Form 17-A) of CHP for 2020.</p> <p>Reference: https://www.cemexholdingsphilippines.com/investors/corporate-disclosures/financial-reports</p> <p>CHP’s SEC Form 17-A (2020 Annual Report) (See page 58 to 61; Note 13 to the Audited Consolidated Financial Statements for 2020) https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-</p>	
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<p>2. Company discloses material or significant RPTs reviewed and approved during the year.</p>	<p>Compliant</p>	<p>CHP submitted on March 4, 2020 to the Securities and Exchange Commission an <i>Advisement Report</i> dated March 3, 2020 containing the terms and conditions of the Revolving Master Loan Facility Agreement dated March 3, 2020 between the Parent Company and one of its subsidiaries, SOLID Cement. There were no other transaction entered into in 2020 which are covered under Article 4 of CHP’s Revised Manual of Corporate Governance by or CHP MRPT Policy requiring the special voting requirements therein provided, respectively.</p> <p>Reference: https://www.cemexholdingsphilippines.com/documents/46587437/49256260/chp-letter-dated-03-mar-2020-mrpt-advisement-report.pdf/9a0d3664-1e79-d32c-bd96-c00b8b75691b</p> <p>More details concerning transactions with “related parties” (regardless of amount) are disclosed in the quarterly reports/SEC Form 17-Q (specifically Note 10 to the interim consolidated financial statements attached thereto) and annual report (SEC Form 17-A) of CHP for 2020.</p> <p>Reference:</p>	

		<p>https://www.cemexholdingsphilippines.com/investors/corporate-disclosures/financial-reports</p> <p>CHP's SEC Form 17-A (2020 Annual Report) <i>(See page 58 to 61; Note 13 to the Audited Consolidated Financial Statements for 2020)</i> https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/cff43b95-7ec7-0273-01d7-bbe5b87296c3</p> <p>CHP's SEC Form 17-Q (1st 2nd and 3rd quarters of 2020) <i>(See Note 10 to the interim unaudited consolidated financial statements)</i> https://www.cemexholdingsphilippines.com/documents/46587437/46588099/chp-amended-sec-form-17-q1st-quarter-2020-dated-27-may-2020-complete-signed.pdf/4b06ddc9-5423-bed6-c524-2d1b3c1a04d0</p> <p>https://www.cemexholdingsphilippines.com/documents/46587437/46588099/chp-form-17-q-dated-14-august-2020-2nd-quarter-2020.pdf/e6f44e72-e5d9-d1b6-db62-cef3bf30ee7e</p> <p>https://www.cemexholdingsphilippines.com/documents/46587437/49256260/chp-sec-17-q-dated-16-nov-2020-3rd-quarter-2020-complete-signed.pdf/9a6b911f-528f-1e56-7bae-4a320732a545</p> <p>Reference: https://www.cemexholdingsphilippines.com/investors/corporate-disclosures/financial-reports</p>	
Supplement to Recommendation 8.5			
<p>1. Company requires directors to disclose their interests in transactions or any other conflict of interests.</p>	<p>Compliant</p>	<p>Under the Code of Ethics and Business Conduct, employees, officers and directors have an obligation to conduct themselves in an honest and ethical manner and to act in the best interests of the company. All employees, officers and directors should endeavor to avoid situations that present a potential or actual conflict between their interests and the interests of the company.</p> <p>Furthermore, among the duties and obligations of the members of the Board of Directors formalized in Article 3(H) of CHP's Revised Manual of Corporate Governance (22 March 2018) are the following:</p>	

		<p>“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.”</p> <p>In 2019, there were no transactions raising a conflict of interest situation involving a member of the Board of Directors or in respect of which a member of the Board of Directors abstained from voting on account of a conflict of interest.</p> <p>CHP MRPT Policy also formalizes the disclosure obligations of directors and officers.</p> <p>Reference: https://www.cemexholdingsphilippines.com/investors/corporate-governance/code-of-ethics</p> <p>CHP’s Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbcb532-4406-d26c-b444-4b6b1d794f69</p> <p>CHP’s Policy on Material Related Party Transactions https://www.cemexholdingsphilippines.com/documents/46587437/46588159/chp-policy-material-related-party-transactions-3-sep-2019.pdf/3c0bd347-13e7-7171-f49f-97a7f0cd571a</p>	
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Optional : Recommendation 8.5			
<p>1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.</p>	<p>Compliant</p>	<p>Information concerning transactions with “related parties” (regardless of amount) are disclosed in the quarterly reports (SEC Form 17-Q) and annual reports (SEC Form 17-A) of CHP.</p> <p>Reference: https://www.cemexholdingsphilippines.com/investors/corporate-disclosures/financial-reports</p> <p>Article 4 of CHP’s Revised Manual of Corporate Governance (22 March 2018) also provides the following: “Transactions with a Related Party shall be entered into on terms and conditions that are arm’s-length, with sufficient documentation and coursed through the appropriate levels of approval authority.</p> <p>CHP MRPT Policy elaborates on the above principle.</p> <p>Reference: CHP’s Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbcb532-4406-d26c-b444-4b6b1d794f69</p> <p>CHP’s Policy on Material Related Party Transactions https://www.cemexholdingsphilippines.com/documents/46587437/46588159/chp-policy-material-related-party-transactions-3-sep-2019.pdf/3e0bd347-13e7-7171-f49f-97a7f0cd571a</p>	
Recommendation 8.6			
<p>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</p>	<p>Compliant</p>	<p>Article 9 of CHP’s Revised Manual of Corporate Governance (22 March 2018) mandates the disclosure and transparency policy of the organization. It provides that the essence of corporate governance is transparency. Thus, all material information about the corporation which could adversely affect its viability or the interests of its stockholders and other stakeholders should be publicly and timely disclosed. Such information should include, among others, earnings results, acquisition or disposition of assets, off balance sheet transactions, related party transactions,</p>	

shareholders and other stakeholders.		<p>and direct and indirect remuneration of members of the Board of Directors and Management.</p> <p>The Board of Directors is always committed to full disclosure of material information dealings and has caused the filing of all required information through the PSE and submissions to the SEC for the interest of its stockholders and other stakeholders.</p> <p>Reference: CHP's Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbcb532-4406-d26c-b444-4b6b1d794f69 https://www.cemexholdingsphilippines.com/investors/corporate-disclosures/sec-filings</p>	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant	<p>There are company procedures which govern the acquisition or disposal of assets including measures under which the services of an independent party, solicitation of multiple offers or other market analysis are undertaken to evaluate the fairness of transaction price.</p> <p>In addition, its Policy on Material Related Party Transactions include general guidelines for the appointment of independent party evaluators.</p> <p>Reference: CHP's Policy on Material Related Party Transactions https://www.cemexholdingsphilippines.com/documents/46587437/46588159/chp-policy-material-related-party-transactions-3-sep-2019.pdf/3c0bd347-13e7-7171-f49f-97a7f0cd571a</p>	
Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality	Compliant	<p>CHP is a party to the Framework Agreement dated March 9, 2016 with CEMEX and CHP's principal shareholder, CEMEX Asian South East Corporation, designed to avoid conflicts of interest between the CHP and CEMEX. The Framework Agreement became effective upon commencement of trading of CHP's shares on the PSE in July 2016. The Framework Agreement governs, among</p>	

<p>agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.</p>		<p>other things, the CHP's ability to undertake certain actions including, but not limited to, the incurrence of indebtedness above certain levels, the disposition and acquisition of assets in excess of certain amounts and the making of capital expenditures in excess of certain amounts.</p> <p>In addition, the Framework Agreement contains provisions relating to competition, solicitation of employees, corporate opportunities, compliance with CEMEX's debt agreements, financial information, regulatory status, compliance with policies and procedures, share transfer rights, equity purchase rights, litigation, dispute resolution, and further actions and assurances.</p> <p>Reference: https://www.cemexholdingsphilippines.com/documents/46587437/46588171/framework-agreement-ch-2016.pdf/837c9253-3f6b-a48e-355c-21927e1078f2</p>	
Recommendation 8.7			
<p>1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).</p>	<p>Compliant</p>	<p>Reference: CHP's Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbcb532-4406-d26c-b444-4b6b1d794f69</p>	
<p>2. Company's MCG is submitted to the SEC and PSE.</p>	<p>Compliant</p>		
<p>3. Company's MCG is posted on its company website.</p>	<p>Compliant</p>		
Supplement to Recommendation 8.7			
<p>1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.</p>	<p>Compliant</p>	<p>The latest version of CHP's Manual of Corporate Governance was approved by the Board of Directors on 22 March 2018. This was submitted to the SEC and PSE.</p>	

Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:	Compliant	Reference: CHP's SEC Form 17-A (2020 Annual Report) https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/cff43b95-7ec7-0273-01d7-bbe5b87296c3	
a. Corporate Objectives			
b. Financial performance indicators			
c. Non-financial performance indicators			
d. Dividend Policy			
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors			
f. Attendance details of each director in all directors meetings held during the year			
g. Total remuneration of each member of the board of directors			
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.	Compliant	Reference: CHP's 2020 Annual Report (SEC Form 17-A) <i>[Part IV Item 13]</i> https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/cff43b95-7ec7-0273-01d7-bbe5b87296c3	

<p>3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.</p>	<p>Compliant</p>	<p>The members of the Board of Directors reviewed CHP's material controls (including operational, financial and compliance controls) and risk management systems for fiscal year 2020.</p> <p>Reference: CHP's 2020 Annual Report (SEC Form 17-A) <i>[Part IV Item 13]</i> https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/cff43b95-7ec7-0273-01d7-bbe5b87296c3</p>	
<p>4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.</p>	<p>Compliant</p>	<p>Reference: CHP's 2020 Annual Report (SEC Form 17-A) <i>[Part IV Item 13]</i> https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/cff43b95-7ec7-0273-01d7-bbe5b87296c3</p>	
<p>5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).</p>	<p>Compliant</p>	<p>Reference: CHP's 2020 Annual Report (SEC Form 17-A) <i>[pages 13 to 25]</i> https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/cff43b95-7ec7-0273-01d7-bbe5b87296c3</p>	

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

Recommendation 9.1

<p>1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.</p>	<p>Compliant</p>	<p>Upon the favorable endorsement of the Audit Committee, the Board of Directors approved during its meeting on April 2, 2020 the nomination of R.G. Manabat & Co. as external auditor of CHP and its subsidiaries for fiscal year 2020. During the Annual Meeting of Stockholders held last June 24, 2020, the shareholders holding approximately 79.03% of the total outstanding shares of stock of CHP</p>	
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<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>voted in favor of the appointment of the accounting firm of R.G. Manabat & Co. as external auditor for the fiscal year 2020. During this same meeting, shareholders ratified the acts of the Board of Directors and Management which included the engagement of the accounting firm of R.G. Manabat & Co (favorably endorsed by the Audit Committee and approved by the Board of Directors.) The fees of the external auditor were disclosed in CHP's Definitive Information Statement circulated to shareholders prior to this meeting.</p> <p>Reference: Draft Minutes of the Annual Meeting of Stockholders held on June 24, 2020 https://www.cemexholdingsphilippines.com/documents/46587437/46588174/chp-annual-stockholders-meeting-24-june-2020.pdf/ac70bc26-55bd-d73e-be3b-7b4cc837c555</p> <p>Definitive Information Statement for 2020 Annual Meeting of Stockholders https://www.cemexholdingsphilippines.com/documents/46587437/46588174/chp-definitive-information-statement-2020-5-27-2020-for-website-Redacted.pdf/4f31b714-81a1-b810-31fe-457f7788454b</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>The external auditor has not been removed or changed.</p> <p>Article 6(B) of CHP's Revised Manual of Corporate Governance provides that if the external auditor resigns, is dismissed or ceases to perform his services, the reason/s for and the date of effectivity of such action shall be reported in the corporation's annual and current reports. The report shall include a discussion of any disagreement between him and the corporation on accounting principles or practices, financial disclosures or audit procedures which the former auditor and the corporation failed to resolve satisfactorily. A preliminary copy of the report should be given by the corporation to the external auditor before its submission.</p> <p>Reference: CHP's Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbcb532-4406-d26c-b444-4b6b1d794f69</p>	

Supplement to Recommendation 9.1			
<p>1. Company has a policy of rotating the lead audit partner every five years.</p>	Compliant	<p>Article 6 (A)(v) of CHP's Revised Manual of Corporate Governance (22 March 2018) provides that the external auditor shall be rotated or changed every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the corporation, should be changed with the same frequency.</p> <p>Reference: CHP's Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbcb532-4406-d26c-b444-4b6b1d794f69</p>	
Recommendation 9.2			
<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <ul style="list-style-type: none"> i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. 	Compliant	<p>Section 4 of the Charter of the Audit Committee reiterates the functions and responsibilities of the Audit Committee consistent with CHP's Revised Manual of Corporate Governance (22 March 2018)</p> <p>Reference: Charter of the Audit Committee https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-charter-of-the-audit-committee-approved-on-25-october-2016.pdf/4c779113-a71a-76e4-77d2-22947bfa9ffd</p>	

2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant	Reference: Charter of the Audit Committee https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-charter-of-the-audit-committee-approved-on-25-october-2016.pdf/4c779113-a71a-76e4-77d2-22947bfa9ffd	
Supplement to Recommendations 9.2			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Compliant	Section 4 of the Charter of the Audit Committee states the functions and responsibilities of the Audit Committee Reference: Charter of the Audit Committee https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-charter-of-the-audit-committee-approved-on-25-october-2016.pdf/4c779113-a71a-76e4-77d2-22947bfa9ffd	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	Section 4 of the Charter of the Audit Committee states the functions and responsibilities of the Audit Committee Reference: Charter of the Audit Committee https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-charter-of-the-audit-committee-approved-on-25-october-2016.pdf/4c779113-a71a-76e4-77d2-22947bfa9ffd	
Recommendation 9.3			
1. Company discloses the nature of non- audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	Reference: CHP's 2020 Annual Report (SEC Form 17-A) <i>[Part II Item 8]</i> https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/eff43b95-7ec7-0273-01d7-bbe5b87296c3	
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	Compliant	Refer to Article 3 (L) (12) and Article 6 of CHP's Revised Manual of Corporate Governance (22 March 2018) CHP's Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-	

impairing the external auditor's objectivity.		governance-approved-on-22-march-2018.pdf/8cbcb532-4406-d26c-b444-4b6b1d794f69	
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	Reference: CHP's 2020 Annual Report (SEC Form 17-A) [Part II Item 8] https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/cff43b95-7ec7-0273-01d7-bbe5b87296c3	
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	1)Name of the audit engagement partner for 2020 – Emerald Anne C. Bagnes 2)Accreditation number (latest) – SEC Accreditation No. 83761-SEC, Group A; 3) Validity Period – valid for 5 years covering the audit of 2020 to 2024 financial statements and 4)Name, address, contact number of the audit firm - R.G. Manabat & Co., The KPMG Center, 9/F, 6787 Ayala Avenue, Makati City, Philippines 1226	
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, R.G. Manabat &Co. has agreed to and has been covered by the SOAR Inspection Program conducted by the SEC's Office of the General Accountant.	
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of	Compliant	Article 9 of CHP's Revised Manual of Corporate Governance (22 March 2018) mandates the disclosure and transparency policy of the organization. It provides that the essence of corporate governance is transparency. Thus, all material information about the corporation which could adversely affect its viability or the interests of its stockholders and other stakeholders should be publicly and timely disclosed.	

<p>its business, which underpin sustainability.</p>		<p>The Board of Directors is always committed to full disclosure of material information dealings and has caused the filing of all required information through the PSE and submissions to the SEC for the interest of its stockholders and other stakeholders.</p> <p>Reference: CHP’s Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbcb532-4406-d26c-b444-4b6b1d794f69</p> <p>https://www.cemexholdingsphilippines.com/investors/corporate-disclosures/sec-filings</p> <p>CHP adheres to enterprise risk management (ERM) processes aligned with the global CEMEX ERM approach which is designed to provide the structured approach to manage all important risks that could impact the company’s objectives. A multitude of risks can affect CHP, its assets and employees, as well as its neighbors and stakeholders. Accordingly, we use risk management systems and tools to gather information from a range of sources, analyze the data, identify and assess potential risks, and then respond to them. These processes include an evaluation of environmental, health, and safety risks. We have several processes that test the robustness of our systems, evaluate compliance across all business units, and encourage continuous improvements. These processes include compliance training for employees, periodic reviews of our policies and procedures, and regular internal audits.</p> <p>Reference: CHP’s Sustainability Report for 2020 https://www.cemexholdingsphilippines.com/sustainability/reports</p>	
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2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	Reference: CHP's Sustainability Report for 2020 https://www.cemexholdingsphilippines.com/sustainability/reports	
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Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

Recommendation 11.1

1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	Compliant	On a quarterly basis, CHP conducts investors' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors. CHP submits to the PSE and SEC notices of these briefings and materials. Reference: Briefing Materials for Investors/Analysts in 2020 https://www.cemexholdingsphilippines.com/investors/reports	
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Supplemental to Principle 11

1. Company has a website disclosing up-to-date information on the following:	Compliant	Reference: https://www.cemexholdingsphilippines.com/investors/corporate-disclosures/financial-reports https://www.cemexholdingsphilippines.com/investors/reports https://www.cemexholdingsphilippines.com/investors/shareholders-meetings https://www.cemexholdingsphilippines.com/investors/corporate-governance/by-laws CHP's Latest Amended By-laws: https://www.cemexholdingsphilippines.com/documents/46587437/49660376/sec-certificate-filing-13-oct-2020.pdf/8d25b520-3f4e-51b9-0c93-cf062c7363da CHP's Latest Amended Articles of Incorporation:	
a. Financial statements/reports (latest quarterly)			
b. Materials provided in briefings to analysts and media			
c. Downloadable annual report			
d. Notice of ASM and/or SSM			
e. Minutes of ASM and/or SSM			
f. Company's Articles of Incorporation and By-Laws			

		https://www.cemexholdingsphilippines.com/documents/46587437/46588156/latest-amended-aoi.pdf/60cc41ba-8b09-10fc-ffee-f4ead2380fb0	
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	Compliant	Reference: www.cemexholdingsphilippines.com	
Internal Control System and Risk Management Framework			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	<p>CHP maintains an internal control system that provides reasonable assurance that main risks can be mitigated, assures the existence of documented internal controls rules and demonstrate the existence of an effective internal controls system to comply with legal requirements affecting CHP. CHP follows the framework issued by the Committee of Sponsoring Organizations of Treadway Commission, known as the “COSO 2013 framework”:</p> <ul style="list-style-type: none"> ▪ Develop and manage appropriate responses to risks ▪ Expand beyond financial reporting to other forms of reporting, operations, and compliance objectives ▪ Eliminate ineffective, redundant, or inefficient controls that provide minimal value <p>We have several processes that test the robustness of our systems, evaluate compliance across all business units, and encourage continuous improvements. These processes include compliance training for employees, periodic reviews of our policies and procedures, and regular internal audits.</p> <p>On a quarterly basis, the Audit Committee reviews internal audit reports.</p>	

<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>Compliant</p>	<p>CHP observes enterprise risk management (ERM) processes aligned with the global CEMEX ERM approach which is designed to provide the structured approach to manage all important risks that could impact the company's objectives. These processes include an evaluation of environmental, health, and safety risks. We have several processes that test the robustness of our systems, evaluate compliance across all business units, and encourage continuous improvements. These processes include compliance training for employees, periodic reviews of our policies and procedures, and regular internal audits.</p> <p>Other risk management processes within the company, such as internal audits, internal controls, compliance, and financial risk management, complement the ERM function.</p> <p>Reference: CHP's Sustainability Report for 2020 https://www.cemexholdingsphilippines.com/sustainability/reports</p>	
Supplement to Recommendations 12.1			
<p>1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.</p>	<p>Compliant</p>	<p>CHP adheres to enterprise risk management (ERM) processes aligned with the global CEMEX ERM approach which is designed to provide the structured approach to manage all important risks that could impact the company's objectives. These processes include an evaluation of environmental, health, and safety risks. We have several processes that test the robustness of our systems, evaluate compliance across all business units, and encourage continuous improvements. These processes include compliance training for employees, periodic reviews of our policies and procedures, and regular internal audits.</p> <p>After the corresponding analysis and assessment, risks are prioritized by estimated impact and probability of materialization, and a mitigation strategy and monitoring plan are defined for their treatment and follow-up.</p> <p>In 2020, the employees of the organization received training on various topics governed by the Code, dedicating more than 9,700 training manhours related to Anti-Corruption and Anti-Bribery, Competition and Anti-</p>	

		<p>Trust, Corporate Governance, Safety, Health & Wellness, Code of Ethics and Business Conduct, and Labor Education. Training programs for employees were also conducted for other functional and technical topics and focus areas.</p> <p>Reference: CHP's 2020 Annual Report (SEC Form 17-A) https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/cff43b95-7ec7-0273-01d7-bbe5b87296c3</p> <p>CHP's Sustainability Report for 2020 https://www.cemexholdingsphilippines.com/sustainability/reports</p>	
Optional: Recommendation 12.1			
<p>1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.</p>	Compliant	<p>CHP has put in place the best available security measures and frequently tests its vulnerability to any potential cyberattacks. Furthermore, CHP safeguards its systems and electronic information through a set of cyber-security controls, processes and a proactive monitoring service to attend to potential breaches.</p> <p>CHP's Sustainability Report for 2020 https://www.cemexholdingsphilippines.com/sustainability/reports</p>	
Recommendation 12.2			
<p>1. Company has in place an independent internal audit function that provides an independent and objective</p>	Compliant	<p>The Board of Directors upon favorable endorsement of the Audit Committee, passed and approved the company's Internal Audit Charter last 6 February 2018 , CHP's Internal Auditor is Mr. Rolando Valentino. Internal audit work is performed in-house in coordination with the global areas.</p>	

<p>assurance, and consulting services designed to add value and improve the company's operations.</p>		<p>Reference: Internal Audit Charter https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-internal-audit-charter-approved-on-6-february-2018.pdf/e458c0e5-f326-9e8b-c1dc-520c0a84d087</p>	
Recommendation 12.3			
<p>1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.</p>	<p>Compliant</p>	<p>CHP's Internal Auditor is Mr. Rolando Valentino. Internal audit work is performed in-house in coordination with relevant CEMEX global teams. Mr. Valentino's background can be found in CHP's annual reports and on CHP's website.</p> <p>Reference: Profile of Senior Management https://www.cemexholdingsphilippines.com/about-us/company-profile/senior-management</p> <p>CHP's 2020 Annual Report (SEC Form 17-A) <i>[See page 53]</i> https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/cff43b95-7ec7-0273-01d7-bbe5b87296c3</p>	
<p>2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.</p>	<p>Compliant</p>	<p>Reference: Internal Audit Charter https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-internal-audit-charter-approved-on-6-february-2018.pdf/e458c0e5-f326-9e8b-c1dc-520c0a84d087</p>	
<p>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.</p>	<p>Compliant</p>	<p>CHP's Internal Auditor is Mr. Rolando Valentino. Internal audit work is performed in-house in coordination with CEMEX global teams performing internal audit functions.</p>	

Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	<p>CHP adheres to enterprise risk management (ERM) processes aligned with the global CEMEX ERM approach which is designed to provide the structured approach to manage all important risks that could impact the company's objectives. These processes include an evaluation of environmental, health, and safety risks. We have several processes that test the robustness of our systems, evaluate compliance across all business units, and encourage continuous improvements. These processes include compliance training for employees, periodic reviews of our policies and procedures, and regular internal audits</p> <p>The head of CHP's ERM area is Mr. José Mauro Gallardo Valdés.</p> <p>CHP's Sustainability Report for 2020 https://www.cemexholdingsphilippines.com/sustainability/reports</p>	
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	Compliant	Technical Support is also provided by executives of other business units in the CEMEX global organization.	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	<p>Mr. José Mauro Gallardo Valdés joined CHP as the head of CHP's Enterprise Risk Management (ERM) area. Among his responsibilities are the following:</p> <ul style="list-style-type: none"> • defines the ERM's objectives, scope, methodology and approach • analyze and test the company's business models, providing alternative scenarios and analysis • identifies and classifies business risks, provides analysis and follows-up on mitigation of risks • reports to management the different business risks, priorities and other key indicators • ensures that processes performed are in compliance with company policies 	

		<p>Reference: Profile of Senior Management https://www.cemexholdingsphilippines.com/about-us/company-profile/senior-management</p> <p>CHP's 2020 Annual Report (SEC Form 17-A) https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/cff43b95-7ec7-0273-01d7-bbe5b87296c3</p>	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant	Mr. José Mauro Gallardo Valdés reports to CHP's President & CEO and on a coordinated basis to the CEMEX Global ERM Director.	
Additional Recommendation to Principle 12			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively	Compliant	The attestations of CHP's President & Chief Executive Officer (Mr. Ignacio Alejandro Mijares Elizondo) and Internal Auditor (Mr. Rolando Valentino) is submitted together with this Integrated Annual Corporate Governance Report.	
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	<p>Article 7 of CHP's Revised Manual of Corporate Governance (22 March 2018) reconfirms, among others, the shareholders' basic rights:</p> <ul style="list-style-type: none"> (i) Right to vote on all matters that require their consent or approval; (ii) Right to inspect corporate books and records; (iii) Right to information; (iv) Right to dividends; and (v) Appraisal right. <p>CHP's Revised Manual of Corporate Governance (22 March 2018)</p>	

		https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbcb532-4406-d26c-b444-4b6b1d794f69	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	CHP's Revised Manual of Corporate Governance (22 March 2018) can be accessed at: https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbcb532-4406-d26c-b444-4b6b1d794f69	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	Compliant	<p>CHP's equity capital structure consists only of common shares with voting rights. CHP's Amended Articles of Incorporation and Amended By-Laws do not contain any other class of shares enjoying preferential voting rights or otherwise denied voting rights.</p> <p>Reference: CHP's Latest Amended By-laws: https://www.cemexholdingsphilippines.com/documents/46587437/49660376/sec-certificate-filing-13-oct-2020.pdf/8d25b520-3f4e-51b9-0c93-cf062c7363da</p> CHP's Latest Amended Articles of Incorporation: https://www.cemexholdingsphilippines.com/documents/46587437/46588156/latest-amended-aoi.pdf/60cc41ba-8b09-10fc-ffee-f4ead2380fb0	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	<p>Article (7) (B) of CHP's Revised Manual of Corporate Governance (22 March 2018) provides the following:</p> <ul style="list-style-type: none"> - The Board shall be transparent and fair in the conduct of the annual and special stockholders' meetings of the corporation. The stockholders shall be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the By-laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy shall be resolved in the stockholder's favor. - It is the duty of the Board to promote the rights of the stockholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for breach of their rights. 	

		<p>- The Board shall take the appropriate steps to remove excessive or unnecessary costs and other administrative impediments to the stockholders' meaningful participation in meetings, whether in person or by proxy. Accurate and timely information should be made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval.</p> <p>- Although all stockholders should be treated equally or without discrimination, the Board shall give minority stockholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Corporation.</p> <p>Reference: CHP's Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbeb532-4406-d26c-b444-4b6b1d794f69</p>	
3. Board has an effective, secure, and efficient voting system.	Compliant	CHP observes the voting requirements prescribed under the Revised Corporation Code of the Philippines, including those provisions requiring supermajority votes.	
4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	Compliant	<p>Reference: Draft Minutes of the Annual Meeting of Stockholders held on June 24, 2020 https://www.cemexholdingsphilippines.com/documents/46587437/46588174/chp-annual-stockholders-meeting-24-june-2020.pdf/ac70bc26-55bd-d73e-be3b-7b4cc837c555</p> <p>Definitive Information Statement for 2020 Annual Meeting of Stockholders https://www.cemexholdingsphilippines.com/documents/46587437/46588174/chp-definitive-information-statement-2020-5-27-2020-for-website-Redacted.pdf/4f31b714-81a1-b810-31fe-457f7788454b</p>	
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal	Compliant	Article (7) (B) of CHP's Revised Manual of Corporate Governance (22 March 2018) provides among others that the Board of Directors shall give minority stockholders the right to propose the holding of meetings and the items	

<p>for consideration or agenda item at the AGM or special meeting.</p>		<p>for discussion in the agenda that relate directly to the business of the Corporation.</p> <p>Reference: CHP’s Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbb532-4406-d26c-b444-4b6b1d794f69</p>	
<p>6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.</p>	<p>Compliant</p>	<p>Article (7) (B) of CHP’s Revised Manual of Corporate Governance (22 March 2018) provides the following:</p> <ul style="list-style-type: none"> - The Board shall be transparent and fair in the conduct of the annual and special stockholders’ meetings of the corporation. The stockholders shall be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the By-laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy shall be resolved in the stockholder’s favor. - It is the duty of the Board to promote the rights of the stockholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for breach of their rights. - The Board shall take the appropriate steps to remove excessive or unnecessary costs and other administrative impediments to the stockholders’ meaningful participation in meetings, whether in person or by proxy. Accurate and timely information should be made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval. - Although all stockholders should be treated equally or without discrimination, the Board shall give minority stockholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Corporation. <p>Reference: CHP’s Revised Manual of Corporate Governance (22 March 2018)</p>	

		https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbeb532-4406-d26c-b444-4b6b1d794f69	
7. Company has a transparent and specific dividend policy.	Compliant	<p>Dividends can only be declared out of unrestricted retained earnings, subject to a number of factors including restrictions that may be imposed by current and prospective financial covenants, the amount of CHP's consolidated indebtedness, the projected operating results of our subsidiaries, our working capital needs, our subsidiaries' long-term capital expenditures and regulations governing dividends, among others. As a result of substantial long-term capital expenditure needs, which include the project cost for pursuing the expansion project of its SOLID Cement plant located in Antipolo City consisting of the installation of a 1.5 million metric tons per year integrated cement production line, and current indebtedness, the Board of Directors have not declared dividends from the time of CHP's initial listing and any subsequent period for which financial statements are required to be presented, and dividends are not expected to be declared for the foreseeable future.</p> <p>Reference: Prospectus for Stock Rights Offering in 2020 https://www.cemexholdingsphilippines.com/documents/46587437/49660376/sro-prospectus-final.pdf/ebd09163-6c58-cc8c-198a-d842c28ea2ca?version=1.0</p> <p>Definitive Information Statements for Annual Meetings of Stockholders https://www.cemexholdingsphilippines.com/investors/shareholders-meetings</p>	
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	Compliant	<p>R.G. Manabat & Co., with address at The KPMG Center, 9/F, 6787 Ayala Avenue, Makati City, Philippines 1226, was engaged to count and validate the votes during the Annual Meeting of Stockholders held on June 24, 2020.</p> <p>Reference: Draft Minutes of the Annual Meeting of Stockholders held on June 24, 2020</p>	

		https://www.cemexholdingsphilippines.com/documents/46587437/46588174/chp-annual-stockholders-meeting-24-june-2020.pdf/ac70bc26-55bd-d73e-be3b-7b4cc837c555	
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Compliant	In respect of the Annual Meeting of Stockholders held on June 24, 2020, the notices were posted on PSE EDGE. The corresponding disclosures were posted on CHP's website. Reference: PSE – Notice of 2020 Annual Meeting of Stockholders disclosed on May 13, 2020 https://edge.pse.com.ph/openDiscViewer.do?edge_no=e41743915c324f2d0de8473cebbd6407 PSE – Amended Notice of 2020 Annual Meeting of Stockholders disclosed May 22, 2020 https://edge.pse.com.ph/openDiscViewer.do?edge_no=d8677912b3bf93560de8473cebbd6407 https://www.cemexholdingsphilippines.com/investors/shareholders-meetings	
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:		In respect of the Annual Meeting of Stockholders held on June 24, 2020, the notices were posted on PSE EDGE. The corresponding disclosures were posted on CHP's website.	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant	Definitive Information Statement for 2020 Annual Meeting of Stockholders contains profiles of nominees for the Board of Directors, information regarding the external independent auditor recommended for re-appointment and sample of proxies. Reference: PSE – Notice of 2020 Annual Meeting of Stockholders disclosed on May 13, 2020 https://edge.pse.com.ph/openDiscViewer.do?edge_no=e41743915c324f2d0de8473cebbd6407	
b. Auditors seeking appointment/re- appointment	Compliant	PSE – Amended Notice of 2020 Annual Meeting of Stockholders disclosed May 22, 2020	

c. Proxy documents	Compliant	https://edge.pse.com.ph/openDiscViewer.do?edge_no=d8677912b3bf93560de8473cebbd6407 Definitive Information Statement for 2020 Annual Meeting of Stockholders https://www.cemexholdingsphilippines.com/documents/46587437/46588174/chp-definitive-information-statement-2020-5-27-2020-for-website-Redacted.pdf/4f31b714-81a1-b810-31fe-457f7788454b	
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	Compliant	<p>The Notice of the 2020 Annual Meeting of Stockholders contains the explanation to the agenda items.</p> <p>Reference: PSE – Notice of 2020 Annual Meeting of Stockholders disclosed on May 13, 2020 https://edge.pse.com.ph/openDiscViewer.do?edge_no=e41743915c324f2d0de8473cebbd6407</p> <p>PSE – Amended Notice of 2020 Annual Meeting of Stockholders disclosed May 22, 2020 https://edge.pse.com.ph/openDiscViewer.do?edge_no=d8677912b3bf93560de8473cebbd6407</p> <p>Definitive Information Statement for 2020 Annual Meeting of Stockholders https://www.cemexholdingsphilippines.com/documents/46587437/46588174/chp-definitive-information-statement-2020-5-27-2020-for-website-Redacted.pdf/4f31b714-81a1-b810-31fe-457f7788454b</p>	
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the	Compliant	<p>The results of the Annual Meeting of Stockholders held on June 24, 2020 were submitted with the PSE EDGE (submitted with the Securities and Exchange Commission) on the same day, and posted on PSE Edge on June 25, 2020.</p> <p>Reference:</p>	

next working day.		<p>Results of Annual Meeting of Stockholders held on June 24, 2020 https://edge.pse.com.ph/openDiscViewer.do?edge_no=215223fbeca62d670de8473cebbd6407</p> <p>https://www.cemexholdingsphilippines.com/documents/46587437/49256260/chp-form-17-c-dated-24-june-2020-results-of-the-annual-meeting-of-stockholders.pdf/7519fe15-55f2-fbf5-3838-404485a92a01</p> <p>Draft Minutes of the Annual Meeting of Stockholders held on June 24, 2020 https://www.cemexholdingsphilippines.com/documents/46587437/46588174/chp-annual-stockholders-meeting-24-june-2020.pdf/ac70bc26-55bd-d73e-be3b-7b4cc837c555</p>	
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	Compliant	<p>The draft Minutes of the Annual Meeting of Stockholders held on June 24, 2020 (Wednesday) was posted on CHP's website on June 30, 2020 (within 5 business days from the meeting date). An updated version of the draft Minutes was posted on July 9, 2020.</p> <p>Reference: Draft Minutes of the Annual Meeting of Stockholders held on June 24, 2020 https://www.cemexholdingsphilippines.com/documents/46587437/46588174/chp-annual-stockholders-meeting-24-june-2020.pdf/ac70bc26-55bd-d73e-be3b-7b4cc837c555</p>	
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	<p>Representatives of the external auditor were present during the Annual Meeting of Stockholders held on June 24, 2020.</p> <p>Reference: Draft Minutes of the Annual Meeting of Stockholders held on June 24, 2020 https://www.cemexholdingsphilippines.com/documents/46587437/46588174/chp-annual-stockholders-meeting-24-june-2020.pdf/ac70bc26-55bd-d73e-be3b-7b4cc837c555</p>	

Recommendation 13.4			
<p>1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.</p>	<p>Compliant</p>	<p>Article 4 (G) of CHP's Revised Manual of Corporate Governance (22 March 2018) recognizes the duty of the Board to make available an alternative dispute resolution system in the corporation that can amicably settle conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including the regulatory authorities.</p> <p>To date, no intra-corporate dispute has arisen.</p> <p>Reference: CHP's Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbcb532-4406-d26c-b444-4b6b1d794f69</p>	
<p>2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.</p>	<p>Compliant</p>	<p>Article 4 (G) of CHP's Revised Manual of Corporate Governance (22 March 2018) recognizes the duty of the Board to make available an alternative dispute resolution system in the corporation that can amicably settle conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including the regulatory authorities.</p> <p>To date, no intra-corporate dispute has arisen.</p> <p>Reference: CHP's Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbcb532-4406-d26c-b444-4b6b1d794f69</p>	
Recommendation 13.5			
<p>1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.</p>	<p>Compliant</p>	<p>The Investor Relations Director of CHP is Mr. Pierre Ignatius C. Co. He can be contacted at: pierre.co@cemex.com and +632 8849 3600</p>	

2. IRO is present at every shareholder's meeting.	Compliant	<p>During the Annual Meeting of Stockholders of CHP held on June 24, 2020, the Investor Relations Director was present and acted as moderator of the meeting.</p> <p>Reference: Draft Minutes of the Annual Meeting of Stockholders held on June 24, 2020 https://www.cemexholdingsphilippines.com/documents/46587437/46588174/chp-annual-stockholders-meeting-24-june-2020.pdf/ac70bc26-55bd-d73e-be3b-7b4cc837c555</p>	
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant	The Board has not employed anti-takeover measures or similar devices.	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Non-Compliant		As of 31 December 2020, CHP had approximately 22.07% public float.
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	Compliant	<p>Through the Investor Relations team and the Corporate Communications team, the company communicates with its stockholders and other stakeholders and keeps the company's investors and relevant stakeholders regularly informed of developments in the company's business. The company's Sustainability Report identifies the channels through which feedback and communications with various stakeholders are received by the company. These include social media platforms. The Investor Relations team conducts on a quarterly basis conference calls and webcast presentations which are accessible to its stockholders, during which time the President & Chief Executive Officer presents the operational and financial quarter results of the company and responds to questions raised by attendees. In 2020, the relevant conference calls and webcast presentations were held on February 13, May 4, July 28 and October 29. The Corporate Communications team conducted in November 2020 the annual stakeholders' meetings with community leaders and representatives in Antipolo City, Rizal and Naga City, Cebu, which are the</p>	

		<p>principal areas in which the company operates. The Corporate Communications team also participated in barangay dialogues and council sessions in impacted communities, and took part in quarterly multi-partite monitoring activities with relevant government agencies, which provided the forum for assessing the progress of company-led or supported initiatives or social and community programs and addressing concerns of its stakeholders.</p> <p>Press releases which were issued by CHP on material events or information include contact details of the Investor Relations Director. CHP's website has a dedicated page wherein shareholders can send their inquiries.</p> <p>Reference: CHP's Sustainability Report for 2020 https://www.cemexholdingsphilippines.com/sustainability/reports https://www.cemexholdingsphilippines.com/contact-us</p>	
<p>2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.</p>	<p>Compliant</p>	<p>For the Annual Meeting of Stockholders held on June 24, 2020, the company implemented a process which allowed for the casting of votes in absentia through electronic mail.</p> <p>Reference: PSE – Notice of 2020 Annual Meeting of Stockholders disclosed on May 13, 2020 https://edge.pse.com.ph/openDiscViewer.do?edge_no=e41743915c324f2d0de8473cebbd6407 PSE – Amended Notice of 2020 Annual Meeting of Stockholders disclosed May 22, 2020 https://edge.pse.com.ph/openDiscViewer.do?edge_no=d8677912b3b93560de8473cebbd6407</p>	
Duties to Stakeholders			
<p>Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.</p>			

Recommendation 14.1

<p>1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.</p>	<p>Compliant</p>	<p>The Code of Ethics and Business Conduct (Code) is designed to govern our relationships with all of our stakeholders, and addresses anti-bribery, antitrust compliance, prevention of money laundering, related-person transactions, workplace safety, health, environmental responsibility, confidentiality terms, conflicts of interest, financial controls and records, and preservation of assets. Through the organization's ethics committees, training programs, global integrity campaigns and secure internal communications channels, awareness and enforcement of this Code are promoted.</p> <p>CHP has a robust Corporate Social Responsibility program through which its operating subsidiaries can identify its stakeholders. Most of the projects are implemented through the CEMEX Philippines Foundation, Inc., a non-stock non-profit organization established in 2003 which acts as the primary vehicle through which the CEMEX Philippines Group of Companies (which includes CHP's principal operating subsidiaries, i.e., APO Cement Corporation and SOLID Cement Corporation) has been working with the company's various stakeholders in the implementation of its projects. Key projects are focused on areas like education, environmental protection, community development, skills & livelihood, health & safety, arts & culture, employee volunteerism and sustainability partnerships.</p> <p>Reference: Code of Ethics and Business Conduct https://www.cemexholdingsphilippines.com/documents/46587437/46587913/code-of-ethics-20200528.pdf/e3b3a413-6ea1-e224-09d1-3928973465ea CHP's Sustainability Report for 2020 https://www.cemexholdingsphilippines.com/sustainability/reports</p>	
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Recommendation 14.2			
<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>Article (7) (B) of CHP's Revised Manual of Corporate Governance (22 March 2018) lays down the basic principle to ensure fair treatment and protection of stakeholders.</p> <p>Reference: CHP's Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbeb532-4406-d26c-b444-4b6b1d794f69</p>	
Recommendation 14.3			
<p>1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.</p>	<p>Compliant</p>	<p>If there are concerns or suspected violations pertaining to ethics, governance or compliance, employees, stakeholders and the general public can report these through our ETHOS Line, a secure, confidential and independent online portal and phone line for sending comments, requesting advice and submitting complaints on these topics. ETHOS Line is accessible through CHP's website. 24 hours a day, seven days a week.</p> <p>The Chairman of the Audit Committee, who is an independent member of the Board of Directors, and the Internal Auditor can be contacted as well.</p> <p>Reference: ETHOS Line https://www.cemexholdingsphilippines.com/about-us or https://www.cemexholdingsphilippines.com/investors/corporate-governance/code-of-ethics</p> <p>CHP's Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbeb532-4406-d26c-b444-4b6b1d794f69</p> <p>Code of Ethics and Business Conduct</p>	

		https://www.cemexholdingsphilippines.com/documents/46587437/46587913/code-of-ethics-20200528.pdf/e3b3a413-6ea1-e224-09d1-3928973465ea	
Supplement to Recommendation 14.3			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	Compliant	<p>Article 4 (G) of CHP's Revised Manual of Corporate Governance (22 March 2018) recognizes the duty of the Board to make available an alternative dispute resolution system in the corporation that can amicably settle conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including the regulatory authorities.</p> <p>To date, no intra-corporate dispute has arisen.</p> <p>Reference: CHP's Revised Manual of Corporate Governance (22 March 2018) https://www.cemexholdingsphilippines.com/documents/46587437/46588165/chp-revised-manual-of-corporate-governance-approved-on-22-march-2018.pdf/8cbeb532-4406-d26c-b444-4b6b1d794f69</p>	
Additional Recommendations to Principle 14			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	Compliant	CHP has not sought such exemption.	
2. Company respects intellectual property rights.	Compliant	<p>Reference: Code of Ethics and Business Conduct https://www.cemexholdingsphilippines.com/documents/46587437/46587913/code-of-ethics-20200528.pdf/e3b3a413-6ea1-e224-09d1-3928973465ea</p>	

Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	Compliant	Reference: CHP's Sustainability Report for 2020 https://www.cemexholdingsphilippines.com/sustainability/reports	
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Compliant	Reference: CHP's Sustainability Report for 2020 https://www.cemexholdingsphilippines.com/sustainability/reports	
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Compliant	Employees have access to CEMEX Shift (intranet), a collaboration platform that encourages efficient and meaningful sharing of ideas and best practices within the organization.	
Supplement to Recommendation 15.1			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	Compliant	The company applies a formal compensation framework which is aligned with CEMEX's global approach to performance-based pay and overall executive compensation strategy. The performance-based remuneration schemes applied by the company are designed to allow the company to attract, motivate and retain highly qualified employees, to obtain from each employee the best possible performance, to establish performance goals that support the company's long-term business strategies, to align employee and shareholder interests, and to provide consistency with CEMEX's approach to performance-based pay and overall executive compensation strategy. Compensation is linked to performance. Annual performance is assessed based on delivery of set individual and country goals.	

2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	<p>The organization gives highest priority to preventing incidents and safeguarding the health and safety of its workforce. CHP is fully committed to carrying out its business activities in a safe and efficient manner and to care for the well-being of all those on its sites and those who may be impacted by its activities.</p> <p>Reference: Code of Ethics and Business Conduct https://www.cemexholdingsphilippines.com/documents/46587437/46587913/code-of-ethics-20200528.pdf/e3b3a413-6ea1-e224-09d1-3928973465ea</p> <p>CHP's Sustainability Report for 2020 https://www.cemexholdingsphilippines.com/sustainability/reports</p>	
3. Company has policies and practices on training and development of its employees.	Compliant	<p>The organization provides training opportunities to its employees depending on their work responsibilities or aspirations in the organization. Employees are required to participate in a minimum number of hours or training programs.</p> <p>Reference: CHP's Sustainability Report for 2020 https://www.cemexholdingsphilippines.com/sustainability/reports</p>	
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Compliant	<p>The Board of Directors adopted the CEMEX Code of Ethics and Business Conduct under which it is expressly declared that the organization rejects all forms of corruption, and CHP adheres to the CEMEX Global Anti-Corruption Policy.</p> <p>Reference: https://www.cemexholdingsphilippines.com/investors/corporate-governance/policies</p>	

		<p>Global Anti-Corruption Policy https://www.cemexholdingsphilippines.com/documents/46587437/46588168/2019-global-anti-corruption-policy-2.pdf/e3ada5f9-a560-f451-0460-d48e9fb8ecfc</p> <p>Code of Ethics and Business Conduct https://www.cemexholdingsphilippines.com/documents/46587437/46587913/code-of-ethics-20200528.pdf/e3b3a413-6ea1-e224-09d1-3928973465ea</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>Employees are informed of CEMEX's business ethics principles in various ways including the Code of Ethics and Business Conduct, internal communications campaigns and displays, face-to-face training, and online legal training through the organization's intranet Policy Center, legal audits, global policies and other activities.</p> <p>Reference: https://www.cemexholdingsphilippines.com/investors/corporate-governance/policies</p> <p>CHP's Sustainability Report for 2020 https://www.cemexholdingsphilippines.com/sustainability/reports</p> <p>CHP's 2020 Annual Report (SEC Form 17-A) https://www.cemexholdingsphilippines.com/documents/46587437/52694853/2020-chp-sec-form-17-a-annual-report-sustainability-report-and-exhibits-a-and-b.pdf/cff43b95-7ec7-0273-01d7-bbe5b87296c3</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 Code of Ethics and Business Conduct describes the process for investigating violation of the Code, including its implementing policies like the Anti-Corruption Policy.</p> <p>Reference: https://www.cemexholdingsphilippines.com/investors/corporate-governance</p> <p>Code of Ethics and Business Conduct https://www.cemexholdingsphilippines.com/documents/46587437/46587913/code-of-ethics-20200528.pdf/e3b3a413-6ea1-e224-09d1-3928973465ea</p> <p>Global Anti-Corruption Policy https://www.cemexholdingsphilippines.com/documents/46587437/46588168/2019-global-anti-corruption-policy-2.pdf/e3ada5f9-a560-f451-0460-d48e9fb8ecfc</p> <p>Code of Conduct when Doing Business with Us https://www.cemexholdingsphilippines.com/documents/46587437/46588168/supplier-code-of-conduct_EN_2019.pdf/e39fd446-dc8f-bf88-599a-44f551294aa5</p> <p>CHP's Sustainability Report for 2020 https://www.cemexholdingsphilippines.com/sustainability/reports</p>	
Recommendation 15.3			
<p>1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation</p>	<p>Compliant</p>	<p>The Code of Ethics and Business Conduct expressly provides that the organization will not tolerate any kind of retaliation for reports or complaints of misconduct that are made in good faith, and underscores that open communication of issues and concerns by all employees, officers and directors without fear of retaliation is vital to the successful implementation of our Code.</p> <p>Reference: Code of Ethics and Business Conduct https://www.cemexholdingsphilippines.com/documents/46587437/46587913/code-of-ethics-20200528.pdf/e3b3a413-6ea1-e224-09d1-3928973465ea</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>The organization has established different communication channels to report incidents and submit evidence of inappropriate conduct. Employees are expected to report any concerns about violations of the Code of Ethics and Business Code to various persons, departments or bodies, including ETHOS Line, their immediate supervisor, Human Resources Department, Legal Department, CHP's Ethics Committee, Chairman of the CHP's Audit Committee or the Internal Auditor.</p> <p>Reference: Code of Ethics and Business Conduct https://www.cemexholdingsphilippines.com/documents/46587437/46587913/code-of-ethics-20200528.pdf/e3b3a413-6ea1-e224-09d1-3928973465ea</p> <p>ETHOS Line https://www.cemexholdingsphilippines.com/about-us or https://www.cemexholdingsphilippines.com/investors/corporate-governance/code-of-ethics</p> <p>https://secure.ethicspoint.com/domain/media/en/gui/67844/email.pdf</p>	
<p>3. Board supervises and ensures the enforcement of the whistleblowing framework.</p>	<p>Compliant</p>	<p>The ETHOS Line is managed by an independent third party. The Board of Directors is informed/updated of feedback or complaints received through the ETHOS Line on a regular basis.</p> <p>Reference: ETHOS Line https://www.cemexholdingsphilippines.com/about-us or https://www.cemexholdingsphilippines.com/investors/corporate-governance/code-of-ethics</p>	

Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

Recommendation 16.1			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	Compliant	<p>The core of the organization's business operations is found in its sustainability framework which revolves around managing its footprint, engaging stakeholders, and enhancing value creation.</p> <p>Reference: CHP's Sustainability Report for 2020 https://www.cemexholdingsphilippines.com/sustainability/reports</p>	
Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	Compliant	<p>Reference: CHP's Sustainability Report for 2020 https://www.cemexholdingsphilippines.com/sustainability/reports</p>	
2. Company exerts effort to interact positively with the communities in which it operates	Compliant		


Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report (2020) is signed on behalf of the Registrant, CEMEX HOLDINGS PHILIPPINES, INC., by:


SERGIO MAURICIO MENENDEZ MEDINA
Chairman of the Board of Directors

Date:
Place: Madrid, Spain

IGNACIO ALEJANDRO MIJARES ELIZONDO
President & Chief Executive Officer

Date: **25 MAY 2021**
Place: Makati City, Metro Manila


PEDRO ROXAS
Independent Director

Date: **25 MAY 2021**
Place: Makati City, Metro Manila


ALFREDO S. PANLILIO
Independent Director

Date: **25 MAY 2021**
Place: Makati City, Metro Manila


ELEANOR M. HILADO
Independent Director

Date: **25 MAY 2021**
Place: Makati City, Metro Manila


JANNETTE VIRATA SEVILLA
Compliance Officer & Corporate Secretary

Date: **25 MAY 2021**
Place: Makati City, Metro Manila

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

Before me, a notary public in and for the place named above, personally appeared:

NAME	GOVERNMENT ISSUED ID NO./Issue Date/Place Issued
Pedro Roxas	Philippine Passport No. P0388902B / 24 January 2010 / DFA Manila
Alfredo S. Panlilio	Philippine Passport No. P4047438A / 20 November 2016 / DFA
Eleanor M. Hilado	Philippine Passport No. P4047438A / 20 November 2016 / DFA
Ignacio Alejandro Mijares Elizondo	Philippine Passport No. P22477265 / 18 November 2016 / DFA
Jannette Virata Sevilla	Philippine Passport No. P4144102A / 20 November 2016 / DFA

who was identified by me through competent evidence of identity to be the same persons who executed the foregoing Integrated Annual Corporate Governance Report of Cemex Holdings Philippines, Inc. for 2020 and each of whom admitted to me that the same is his/her free and voluntary act and deed.

Witness my hand and seal this MAY 25 2021 in Makati City, Metro Manila, Philippines.

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Page No. 31
Book No. 113
Series of 2021.

ATTY. GEORGE DAVID D. SITON
NOTARY PUBLIC FOR MAKATI CITY
APPOINTED BY COMMISSIONER OF NOTARIES, DEPT. OF JUSTICE, 015, 2021
RDLL NO. 20022 (NOT. COM. SEC. NO. VI-0033928/5-9-2018)
APPOINTED BY COMMISSIONER OF NOTARIES, DEPT. OF JUSTICE, 015, 2017
PTR REG. 20022 (JAN. 01, 2018) - MAKATI CITY
EXECUTIVE BLDG. CENTER MAKATI AVE., QCB, JUVENIL ST. MAKATI CITY

AP

Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report (2020) is signed on behalf of the Registrant, CEMEX HOLDINGS PHILIPPINES, INC., by:



SERGIO MAURICIO MENENDEZ MEDINA
Chairman of the Board of Directors

Date: 21 May 2021
Place: Madrid, Spain

IGNACIO ALEJANDRO MIJARES ELIZONDO
President & Chief Executive Officer

Date:
Place: Makati City, Metro Manila

PEDRO ROXAS
Independent Director

Date:
Place: Makati City, Metro Manila

ALFREDO S. PANLILIO
Independent Director

Date:
Place: Makati City, Metro Manila

ELEANOR M. HILADO
Independent Director

Date:
Place: Makati City, Metro Manila

JANNETTE VIRATA SEVILLA
Compliance Officer & Corporate Secretary

Date:
Place: Makati City, Metro Manila

LEGITIMACIÓN. - Yo, JOSÉ LUIS LÓPEZ DE GARAYO Y GALLARDO, Notario del ilustre colegio de Madrid, con residencia en la capital, DOY FE:

Que, por cotejo con otras indubitadas, considero legítima la firma y rúbrica que antecede, de Don SERGIO MAURICIO MENÉNDEZ MEDINA, extendida en el presente documento redactado en inglés, idioma conocido por mí, el Notario. El documento está compuesto de un folio de papel común que numero, reintegro y sello con el de la Notaría.

En Madrid, a veintiuno de mayo de dos mil veintiuno.

Libro 1, Asiento 271.



FX2483880

=FOLIO HABILITADO PARA LEGALIZACIONES POR EL ILUSTRE COLEGIO NOTARIAL DE MADRID=

Este folio ha quedado unido con el sello de este Ilustre Colegio Notarial al Testimonio expedido por
D. José Luis López de Garayo y Gallardo
Notario de Madrid
el día 21/05/2021

APOSTILLE (Convention de La Haye du 5 octobre 1961)	
1. País: Country / Pays :	ESPAÑA
El presente documento público This public document / Le présent acte public	
2. ha sido firmado por has been signed by a été signé par	D. José Luis López de Garayo y Gallardo
3. quien actúa en calidad de acting in the capacity of agissant en qualité de	NOTARIO
4. y está revestido del sello / timbre de bears the seal / stamp of est revêtu du sceau / timbre de	SU NOTARÍA
Certificado Certified / Attesté	
5. en at / à	MADRID
6. el día the / le	25/05/2021
7. por by / par	el Decano del Colegio Notarial de Madrid
8. bajo el número No sous no	N7201/2021/032418
9. Sello / timbre* Seal / stamp: Sceau / timbre:	FE PÚBLICA NOTARIAL CONSEJO GENERAL DEL NOTARIADO ESPAÑOL NOTARIADO EUROPA NIHIL PRIUS FIDE 0269974676
10. Firma: Signature: Signature :	 Don Miguel Ángel Mostanza Iturmendi Firma delegada del Decano

Esta Apostilla certifica únicamente la autenticidad de la firma, la calidad en que el signatario del documento haya actuado y, en su caso, la identidad del sello o timbre del que el documento público esté revestido.

Esta Apostilla no certifica el contenido del documento para el cual se expidió.
[No es válido el uso de esta Apostilla en España]

[Esta Apostilla se puede verificar en la dirección siguiente: <https://eregister.justicia.es/>
Código de verificación de la Apostilla: NA:tpnf-qd+j-/I+G-hddx

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This Apostille does not certify the content of the document for which it was issued.
[This Apostille is not valid for use anywhere within Spain]

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Cette Apostille atteste uniquement la véracité de la signature, la qualité en laquelle le signataire de l'acte a agi et, le cas échéant, l'identité du sceau ou timbre dont cet acte public est revêtu.

Cette Apostille ne certifie pas le contenu de l'acte pour lequel elle a été émise.
[L'utilisation de cette Apostille n'est pas valable en / au Espagne.]

[Cette Apostille peut être vérifiée à l'adresse suivante <https://eregister.justicia.es/>
Code de vérification de l'Apostille: NA:tpnf-qd+j-/I+G-hddx



CEMEX HOLDINGS PHILIPPINES, INC. (“CHP”)
SUMMARY OF MATERIAL RELATED PARTY TRANSACTIONS IN 2020

Execution Date of Transaction: 3 March 2020

Name of Related Party: SOLID CEMENT CORPORATION (“SOLID”)

Relationship between the Parties including financial/non-financial interest: SOLID is a wholly-owned subsidiary of CHP

Type/Nature of Transaction: Revolving Master Loan Facility Agreement between CHP, as lender, and SOLID, as borrower; 7-year tenor under a revolving framework

Amount/Contract Price: Up to ₱12,725,000,000

Total Assets of CHP: ₱58,806,177,000 (based on *audited* consolidated financial statements of CHP for year ending 31 December 2019)

Percentage of the Contract Price to the Total Assets of CHP: 21.64% (based on total assets per audited consolidated financial statements of CHP for year ending 31 December 2019)

Corporate Approvals: The transaction was approved CHP’s Board of Directors during the board meeting held on 5 December 2019 (following the review and favorable endorsement by the Audit Committee to the Board). Board members who voted favorably for the transaction comprised all of the members who were present during the meeting and constituted more than 2/3 of the board membership, including a majority of the independent directors: Joaquin Miguel Estrada Suarez (Chairman), Pedro Roxas (Lead Independent Director), Eleanor M. Hilado (Independent Director), Ignacio Alejandro Mijares Elizondo, Alejandro Garcia Cogollos, Antonio Ivan Sanchez Ugarte, and Larry Jose Zea Betancourt.

Terms and Conditions	Rationale for Entering into the Transaction	Carrying Amount of Collateral, if any
<p>-CHP grants SOLID a revolving loan facility for an amount of up to Twelve Billion Seven Hundred Twenty Five Million Philippine Pesos (₱12,725,000,000.00); available in one or several draw-downs under a revolving framework</p> <p>-Maturity Date is 3 March 2027</p> <p>-Advances or borrowings under the loan facility will bear a fixed interest rate of 10.02% per annum</p> <p>- The loan shall be subordinate to the Facility Agreement dated 1 February 2017, as supplemented (the “BDO Loan”), executed by CHP, Solid, APO Cement Corporation and BDO Unibank, Inc., upon the occurrence of any of the events considered as an event of default under the BDO Loan.</p>	<p>SOLID shall apply the proceeds of the loan for the payment of its outstanding debt owing to CEMEX ASIA, B.V., for the payment of investments, costs and expenses related to the construction of a new integrated cement line in its existing cement facilities, and for other general corporate purposes</p>	None

ATTESTATION

We, **IGNACIO ALEJANDRO MIJARES ELIZONDO** and **ROLANDO VALENTINO**, both of legal age, with office address at 34th Floor Petron Mega Plaza Building, 358 Sen. Gil J. Puyat Avenue, Makati City 1200, after being sworn in accordance with law hereby certify that:


1. We are the President & Chief Executive Officer and the Internal Auditor, respectively, of CEMEX HOLDINGS PHILIPPINES, INC. (the "Company").
2. Under Article 3 I) of the Company's Revised Manual of Corporate Governance, the control environment of the Company consists of: (a) the Board of Directors which ensures that the Corporation is properly and effectively managed and supervised; (b) a Management that actively manages and operates the corporation in a sound and prudent manner; (c) the organizational and procedural controls supported by effective management information and risk management reporting systems; and (d) an independent audit mechanism to monitor the adequacy and effectiveness of the corporation's governance, operations, and information systems, including the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, the safeguarding of assets, and compliance with laws, rules, regulations and contracts.
3. Pursuant to the Company's Internal Audit Charter (i) Management is primarily responsible for the definition and design of internal control system shall reside with the internal control functional area of the organization, and Management remains accountable for the due implementation of said internal control system, (ii) among the key responsibilities of the Internal Audit is to provide an independent risk-based reasonable assurance to the Board of Directors of the Corporation, the Audit Committee and Management on the effectiveness of the Corporation's governance and control processes, and (iii) the Internal Auditor directly reports functionally to the Audit Committee to ensure independence and objectivity allowing Internal Audit to fulfill its responsibilities.
4. The Company's external auditor is responsible for assessing and expressing an opinion regarding the conformity of the audited financial statements of the Company with Philippine Financial Reporting Standards and the overall quality of the financial reporting process observed by the organization;
5. Internal Audit activities were performed in adherence to the International Standards for the Professional Practice of Internal Auditing.
6. In the framework of the foregoing, and based on the results of the respective activities undertaken by the internal and external auditors of the Company for the year 2020, we confirm that a sound internal audit, control and compliance system is in place and working effectively in the Company.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ in Makati City, Metro Manila, Philippines.



IGNACIO ALEJANDRO MIJARES ELIZONDO
President & Chief Executive Officer

MAY 14 2021



ROLANDO VALENTINO
Internal Auditor

ACKNOWLEDGMENT

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

Before me, a notary public in and for the place named above, personally appeared:

NAME	GOVERNMENT ISSUED ID NO./Issue Date/Place Issued
Ignacio Alejandro Mijares Elizondo	[REDACTED]
Rolando Valentino	[REDACTED]

who was identified by me through competent evidence of identity to be the same persons described in the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

Witness my hand and seal this MAY 14 2021.

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Book No. 1
Series of 2021.

ATTY. GEORGE DAVID D. SITON
NOTARY PUBLIC FOR MAKATI CITY
APPT. NO. M-121-17-1-1071, 31, 2021
ROLI NO. 63462, MTR. 11, 012, LICENSE NO. 43-0021936/3-29-2019
IDP G.D.N. 2279471, EXPIRES MAY 8, 2017
PTR NO. 9533036, JAN 04, 2023-MAKATI CITY
EXECUTIVE BLDG. CENTER MAKATI AVE., COR. RUPPER ST. MAKATI CITY