



**SEC FORM – I-ACGR**

**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**

**GENERAL INSTRUCTIONS**

**A. Use of Form I-ACGR**

This SEC Form shall be used as a tool to disclose Publicly-Listed Companies' compliance/non-compliance with the recommendations provided under the Code of Corporate Governance for Publicly-Listed Companies, which follows the “comply or explain” approach, and for harmonizing the corporate governance reportorial requirements of the SEC and the Philippine Stock Exchange (PSE).

**B. Preparation of Report**

These general instructions are not to be filed with the report. The report shall contain the numbers and captions of all items.

The I-ACGR has four columns, arranged as follows:

RECOMMENDED CG PRACTICE/POLICY	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<p>Contains CG Practices/ Policies, labelled as follows:</p> <p>(1) <b>“Recommendations”</b> – derived from the CG Code for PLCs;</p> <p>(2) <b>“Supplement Recommendation”</b> to – derived from the PSE CG Guidelines for Listed Companies;</p> <p>(3) <b>“Additional Recommendations”</b> – CG Practices not found in the CG Code for PLCs and PSE CG Guidelines but are expected already of PLCs; and</p> <p>(4) <b>“Optional Recommendation”</b> – practices taken from the ASEAN Corporate Governance Scorecard</p> <p><b>*Items under (1) – (3) must be answered/disclosed by the PLCs following the “comply or explain” approach. Answering of items under (4) are left to the discretion of PLCs.</b></p>	<p>The company shall <b>indicate compliance or non-compliance</b> with the recommended practice.</p>	<p>The company shall provide additional information to <b>support their compliance</b> with the recommended CG practice</p>	<p>The PLCs shall <b>provide the explanations for any non-compliance</b>, pursuant to the “comply or explain” approach.</p> <p>Please note that the explanation given should describe the non-compliance and include <b>how the overall Principle being recommended is still being achieved</b> by the company.</p> <p><b>**“Not Applicable” or “None” shall not be considered as sufficient explanation</b></p>

### C. Signature and Filing of the Report

- a. Three (3) copies of a fully accomplished I-ACGR shall be filed with the Main Office of the Commission **on or before May 30 of the following year for every year that the company remains listed in the PSE;**
- b. At least one (1) complete copy of the I-ACGR shall be duly notarized and shall bear **original and manual** signatures
- c. The I-ACGR shall be signed under oath by: (1) Chairman of the Board; (2) Chief Executive Officer or President; (3) All Independent Directors; (4) Compliance Officer; and (5) Corporate Secretary.
- d. The I-ACGR shall cover all relevant information from January to December of the given year.
- e. All reports shall comply with the full disclosure requirements of the Securities Regulation Code.



## SEC FORM – I-ACGR

### INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended DECEMBER 31, 2021
2. SEC Identification Number 22264
3. BIR Tax Identification No. 000-446-527
4. Exact name of issuer as specified in its charter BHI HOLDINGS, INC.
5. METRO MANILA, PHILIPPINES  
Province, Country or other jurisdiction of  
incorporation or organization  
15F THE PEARLBANK CENTER 146 VALERO ST.  
SALCEDO VILLAGE, MAKATI CITY  
Address of principal office
6.  (SEC Use Only)  
Industry Classification Code:  
  
1227  
Postal Code
8. 02-840-2961  
Issuer's telephone number, including area code
9. N/A  
Former name, former address, and former fiscal year, if changed since last report.

**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**

ADDITIONAL INFORMATION		EXPLANATION
COMPLIANT/ NON- COMPLIANT	The Board's Governance Responsibilities	

**Principle 1:** The company should be headed by a competent, working board to foster the long-term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.

**Recommendation 1.1**

1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	The Board is composed of directors with collective working knowledge, experience or expertise relevant to the company's industry.	
2. Board has an appropriate mix of competence and expertise.	Compliant	The Board has an appropriate mix of competence and expertise to remain qualified in their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant	Please refer to the Company's Revised Manual on Corporate Governance SEC Form 17-A SEC Form 20-IS	

**Recommendation 1.2**

1. Board is composed of a majority of non-executive directors.	Compliant	The Board is composed of eight non executive and three executive directors Refer to SEC Form 17-A & SEC Form 20-IS	
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**Recommendation 1.3**

1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	Please refer to the Manual on Corporate Governance relating to its policy on training of directors. Directors' attends seminar annually.	
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<p>2. Company has an orientation program for first time directors.</p>	Compliant	<p>The Company has relevant annual continuing trainings for all directors At least 5 hours regarding Corporate Governance seminar. Please refer to the Revised Manual On Corporate Governance PSE Edge submission</p>	
<p>3. Company has relevant annual continuing training for all directors.</p>	Compliant	<p>On Corporate Governance PSE Edge submission</p>	
<b>Recommendation 1.4</b>			
<p>1. Board has a policy on board diversity.</p>	Compliant	<p>Please refer to the Revised Manual On Corporate Governance containing information on the company's board diversity policy. The Board has eight (8) female and three (3) male directors.</p>	
<b>Optional: Recommendation 1.4</b>			
<p>1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.</p>	Compliant	<p>Please refer to the Revised Manual On Corporate Governance.</p>	
<b>Recommendation 1.5</b>			
<p>1. Board is assisted by a Corporate Secretary.</p>	Compliant	<p>Please refer to the Revised Manual on Corporate Governance.</p>	
<p>2. Corporate Secretary is a separate individual from the Compliance Officer.</p>	Compliant	<p>SEC Form 17-A</p>	
<p>3. Corporate Secretary is not a member of the Board of Directors.</p>	Compliant	<p>Atty. Helen De Leon Manzano is a Senior Partner of Saulog &amp; De Leon Law Offices</p>	

4. Corporate Secretary attends training/s on corporate governance.	Compliant	Refer to PSE Edge Submission. The Corporate Secretary attends trainings/seminar for Corporate Governance at least 5 hours annually	
<b>Optional: Recommendation 1.5</b>			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	Compliant	The Corporate Secretary task to distribute board meeting materials at least five business days before scheduled meeting.	
<b>Recommendation 1.6</b>			
1. Board is assisted by a Compliance Officer.	Compliant	Please refer to SEC Form 17-A and Revised Manual on Corporate Governance.	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant	The Company's Compliance Officer Juanita U. Tan, CEO/President	
3. Compliance Officer is not a member of the board.	Non-compliant	Directly reporting to the Chairman of the Board	No other qualified Senior Officer
4. Compliance Officer attends training/s on corporate governance.	Compliant	Please refer to PSE Edge submission. The Compliance Officer attends training seminars for Corporate Governance for at least 5 hours annually.	
<b>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.</b>			
<b>Recommendation 2.1</b>			
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	Directors do not act on anything unless they have fully stated and deliberated on the matter at hand. Please refer to the Revised Manual on Corporate Governance.	
<b>Recommendation 2.2</b>			

1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	Please refer to the Revised Manual On Corporate Governance. There is no new business undertaken during the year	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant		
<b>Supplement to Recommendation 2.2</b>			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	Refer to the Company's website The Board reviewed the Company's vision, mission and core values annually.	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compliant	Please refer to the Company's Revised Manual on Corporate Governance.	
<b>Recommendation 2.3</b>			
1. Board is headed by a competent and qualified Chairperson.	Compliant	Revised Manual on Corporate Governance. SEC Form 17-A Manuel N. Tankiansee, Chairman of the Board, handled directorship with other Companies.	
<b>Recommendation 2.4</b>			

1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	Please refer to the Revised Manual on Corporate Governance. No occurrence of succession or retirement during the year.	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant		
<b>Recommendation 2.5</b>			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	Please refer to the Revised Manual On Corporate Governance.	
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	There are no discussions or deliberations transpired during the year	
<b>Optional: Recommendation 2.5</b>			
1. Board approves the remuneration of senior executives.	Compliant	There are no approved remuneration for senior executive during the year.	
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.	Compliant	There are no performance-based remuneration during the year.	
<b>Recommendation 2.6</b>			



1. Board has a formal and transparent board nomination and election policy.	Compliant	Please refer to the Revised Manual on Corporate Governance.		
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		SEC Form 17-A SEC Form 20-IS	
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			
<b>Optional: Recommendation to 2.6</b>				
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.	Non-compliant		The Board does not see the need for professional search firm for the given period.	

**Recommendation 2.7**

1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	Please refer to the Revised Manual on Corporate Governance. SEC Form 17-A	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant		
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant		

**Supplement to Recommendations 2.7**

1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered de minimis or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	Compliant	Please refer to the Revised Manual on Corporate Governance. SEC Form 17-A	
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.	Non-compliant		The Board will come up with this voting system as soon as possible.

**Recommendation 2.8**

<p>1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	Compliant	<p>Please refer to the Company's Revised Manual on Corporate Governance.</p> <p>There are no Management team Appointed during the year</p>	
<p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	Compliant	<p>Please refer to the Company's Revised Manual on Corporate Governance.</p> <p>No assessment for the Management Performance during the year.</p>	
<b>Recommendation 2.9</b>			
<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>	Non-compliant		<p>The Company is in the process of establishing an effective performance Management framework.</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>	Non-compliant		<p>The Company does not have active transaction that requires this performance management framework during the year.</p>
<b>Recommendation 2.10</b>			

1. Board oversees that an appropriate internal control system is in place.	Compliant	Please refer to the Revised Manual on Corporate Governance.	
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.	Non-compliant		The Company is in the process of creating its Internal Audit Charter.
<b>Recommendation 2.11</b>			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Non-compliant		The board currently assessing if there is a need to place a sound Enterprise Risk Management (ERM) considering the size, structure and nature of the operations of the Corporation.
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.	Non-compliant		The board currently assessing if there is a need to place a sound Enterprise Risk Management (ERM) considering the size, structure and nature of the operations of the Corporation.
<b>Recommendation 2.12</b>			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilitys in carrying out its fiduciary role.	Non-compliant		The Company is in the process of creating its Board Charter. Once finalized it will be posted on the company's website.
2. Board Charter serves as a guide to the directors in the performance of their functions.	Non-compliant		
3. Board Charter is publicly available and posted on the company's website.	Non-compliant		

**Additional Recommendation to Principle 2**

1. Board has a clear insider trading policy.	Compliant	Please refer to the Revised Manual On Corporate Governance.	
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**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	Please refer to the Revised Manual On Corporate Governance. Granting of Loans to directors are forbidden.	
2. Company discloses the types of decision requiring board of directors' approval.	Compliant	Please refer to the Revised Manual On Corporate Governance. No decisions requiring the board of directors' approval during the year	

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

**Recommendation 3.1**

1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.		Please refer to the Company's Revised Manual on Corporate Governance. SEC Form 20-IS	
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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>	Compliant	<p>Please refer to the Revised Manual On Corporate Governance. SEC Form 17-A SEC Form 20-IS</p> <p>Audit Committee recommends the appointment and removal of the company's external auditor</p>	<p>The Audit Committee is composed of three appropriately qualified directors. Two executive directors and one independent director who is also the Chairman.</p>
<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	Non-compliant		
<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>	Compliant	<p>Please refer to the Revised Manual On Corporate Governance. SEC Form 17-A SEC Form 20-IS</p>	
<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	Compliant	<p>SEC Form 17-A SEC Form 20-IS</p>	
<p><b>Supplement to Recommendation 3.2</b></p>			
<p>1. Audit Committee approves all non-audit services conducted by the external auditor.</p>	Compliant	<p>Please refer to the Revised Manual On Corporate Governance. SEC Form 17-A No non audit services conducted during the year.</p>	

<p>2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.</p>	Compliant	Meetings regularly held but no written minutes of such meetings.	
<b>Optional: Recommendation 3.2</b>			
<p>1. Audit Committee meet at least four times during the year.</p>	Compliant	The Audit Committee meet at least four times during the year. No written minutes of such meetings	
<p>2. Audit Committee approves the appointment and removal of the internal auditor.</p>	Compliant	The appointment of internal auditor was conducted during the Annual Stockholders' meeting. SEC Form 20-1S SEC Form 17-C	
<b>Recommendation 3.3</b>			
<p>1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.</p>	Non-compliant		The Company is in the process of Establishing a Corporate Governance Committee within the year.
<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	Non-compliant		The Company only have two independent Directors.

3. Chairman of the Corporate Governance Committee is an independent director.	Non-compliant		Full compliance with this recommendation is not mandatory considering the size, structure and nature of operations of the Corporation.
<b>Optional: Recommendation 3.3.</b>			
1. Corporate Governance Committee meet at least twice during the year.	Non-compliant		The Board doesn't see the necessity for such Committee as of the moment.
<b>Recommendation 3.4</b>			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Non-compliant		The Company's Revised Manual on Corporate Governance provides a Board Risk Oversight Committee. However, for the reporting year, no such committee has been created.
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Non-compliant		The Company is in the process of establishing a separate Board Risk Oversight Committee (BROC)
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Non-compliant		The Company currently don't have a BROC in place.
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Non-compliant		The Company currently don't have a BROC in place.



**Recommendation**

<p>1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.</p>	<p>Non-compliant</p>		<p>The Board will assess if there is a need to create Related Party Transactions Committee within the year.</p>
<p>2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.</p>	<p>Non-compliant</p>		<p>The Company currently don't have Related Party Transactions Committee. Full compliance with this recommendation is not necessary considering the size, structure and nature of the Corporation.</p>

**Recommendation 3.6**

<p>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.</p>	<p>Non-compliant</p>		<p>The Board will assess and create as soon as possible and disclosed it once finalized.</p>
<p>2. Committee Charters provide standards for evaluating the performance of the Committees.</p>	<p>Non-compliant</p>		<p>The Company currently don't have Committee Charters.</p>
<p>3. Committee Charters were fully disclosed on the company's website.</p>	<p>Non-compliant</p>		<p>The Company currently don't have Committee Charters.</p>

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

**Recommendation 4.1**

<p>1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.</p>	Compliant	<p>Directors attend and actively participate in all meetings of the Board, committees and shareholders in person.</p> <p>Please refer to the Company's Revised Manual on Corporate Governance SEC Form 17-A SEC Form 20-IS</p>	
<p>2. The directors review meeting materials for all Board and Committee meetings.</p>	Compliant	<p>Directors review materials for all Board and Committee meetings</p>	
<p>3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.</p>	Compliant	<p>Please refer to the Company's Revised Manual on Corporate Governance SEC Form 17-A SEC Form 20-IS</p> <p>Directors ask and seek clarifications and explanations during meetings.</p>	
<p><b>Recommendation 4.2</b></p>			
<p>1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.</p>	Compliant	<p>Please refer to the Company's Revised Manual on Corporate Governance</p>	

**Recommendation 4.3**

1. The directors notify the company's board before accepting a directorship in another company.

Compliant

Directors did not accept other directorship in other Companies during the year.

**Optional: Principle 4**

1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.

Compliant

2. Company schedules board of directors' meetings before the start of the financial year.

Compliant

3. Board of directors meet at least six times during the year.

Compliant

4. Company requires as minimum quorum of at least 2/3 for board decisions.

Compliant

**Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs**

**Recommendation 5.1**

1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.

The Board has two independent Directors  
Please refer to SEC Form 17-A

**Recommendation 5.2**

1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	Please refer to SEC Form 17-A for a brief information on the Independent Directors.	
<b>Supplement to Recommendation 5.2</b>			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	Please refer to SEC Form 17-A Revised Manual on Corporate Governance As provided by Company By-Laws	
<b>Recommendation 5.3</b>			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	Please refer to SEC Form 20-IS Revised Manual on Corporate Governance	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	Please refer to SEC Form 20-IS Revised Manual on Corporate Governance	
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	Please refer to SEC Form 20-IS Revised Manual on Corporate Governance	
<b>Recommendation 5.4</b>			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	Please refer to SEC Form 20-IS Revised Manual on Corporate Governance	

<p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p>	Compliant	<p>As provided by the Articles of Incorporation and By Laws. As per company's Revised Manual on Corporate Governance</p> <p>The Chairman and the CEO are husband and wife.</p>	
<b>Recommendation 5.5</b>			
<p>1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.</p>	Compliant	<p>Please refer to the Company's Revised Manual on Corporate Governance. SEC 17-A and SEC 20-15</p> <p>The Chairman of the Board is not an independent director.</p>	
<b>Recommendation 5.6</b>			
<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>No material transaction affecting the Corporation during the year.</p>	
<b>Recommendation 5.7</b>			
<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>	Non-Compliant	<p>The non-executive directors don't have periodic meetings with the external auditor and heads of the Internal Audit, compliance and risk functions.</p>	<p>The members of the Internal audit are Executive directors.</p>
<p>2. The meetings are chaired by the lead independent director.</p>	Non-Compliant		<p>The Chairman is not an Independent Director</p>
<b>Optional: Principle 5</b>			

1. None of the directors is a former CEO of the company in the past 2 years.	Compliant	Juanita U. Tan SEC Form 17-A	
<b>Principle 6:</b> The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
<b>Recommendation 6.1</b>			
1. Board conducts an annual self-assessment of its performance as a whole.	Compliant		
2. The Chairman conducts a self-assessment of his performance.	Compliant	Please refer to the Company's Revised Manual on Corporate Governance	
3. The individual members conduct a self-assessment of their performance.	Compliant		
4. Each committee conducts a self-assessment of its performance.	Compliant		
5. Every three years, the assessments are supported by an external facilitator.	Non-compliant	Punongbayan and Araullo External facilitators were invited every year.	External Facilitator are invited according to their availability
<b>Recommendation 6.2</b>			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	Please refer to the Company's Revised Manual on Corporate Governance	
2. The system allows for a feedback mechanism from the shareholders.	Compliant		

**Principle 7:** Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

**Recommendation 7.1**

<p>1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.</p>	Compliant	<p>Please refer to the Company's Revised Manual on Corporate Governance. Company website (<a href="http://www.bhi-holdings.com">www.bhi-holdings.com</a>)</p>	
<p>2. The Code is properly disseminated to the Board, senior management and employees.</p>	Compliant	<p>The Company strictly followed the Code as provided by its Revised Manual on Corporate Governance. (<a href="http://www.bhi-holdings.com">www.bhi-holdings.com</a>)</p>	
<p>3. The Code is disclosed and made available to the public through the company website.</p>	Compliant	<p>The Company disclosed its Code of business Conduct and Ethics through its website and made available to the Public.</p>	
<b>Supplement to Recommendation 7.1</b>			
<p>1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.</p>	Compliant	<p>Please refer to the Company's Revised Manual on Corporate Governance.</p>	
<b>Recommendation 7.2</b>			
<p>1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.</p>	Compliant	<p>Please refer to the Company's Revised Manual on Corporate Governance.</p>	
<p>2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.</p>	Compliant	<p>The Board, Senior management and Employees are required to comply.</p>	
<b>Disclosure and Transparency</b>			

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

**Recommendation 8.1**

<p>1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.</p>	<p>Compliant</p>	<p>Please refer to the Company's Revised Manual on Corporate Governance.  SEC Form 17-A SEC Form 20-IS</p>	
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**Supplement to Recommendations 8.1**

<p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.</p>	<p>Compliant</p>	<p>Annual Reports were published, distributed, made available within 105 days from the end of the fiscal year, while quarterly reports were published distributed, made available within 45 days from the end of reporting period.</p>	
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<p>2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p>	<p>Compliant</p>	<p>Please refer to the Company's SEC Form 20-IS SEC Form 17-A</p>	
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**Recommendation 8.2**



<p>1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.</p>	Compliant	Please refer to the Revised Manual on Corporate Governance.	
<p>2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.</p>	Compliant	There are no actual dealings of directors involving the corporation's shares during the year.	
<b>Supplement to Recommendation 8.2</b>			
<p>1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).</p>	Compliant	Please refer to the Company's SEC Form 20-IS SEC Form 17-A  Audited Financial Statement	
<b>Recommendation 8.3</b>			
<p>1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	Compliant	Please refer to the Company's SEC Form 17-A SEC Form 20-IS Annual Seminars on Corporate Governance	

<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>Please refer to the Company's SEC Form 17-A SEC Form 20-IS Annual Seminars on Corporate Governance</p>	
<p><b>Recommendation 8.4</b></p>			
<p>1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.</p>	<p>Compliant</p>	<p>As provided by its Manual on Corporate Governance.</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>As provided by its Manual on Corporate Governance.</p>	
<p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p>	<p>Compliant</p>	<p>There are no compensation and remuneration during the year.</p>	
<p><b>Recommendation 8.5</b></p>			
<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>Please refer to the Revised Manual on Corporate Governance.  The director with conflict of interest abstained from the board discussion.</p>	

<p>2. Company discloses material or significant RPTs reviewed and approved during the year.</p>	Compliant	Please refer to the Company's Revised Manual on Corporate Governance.	
<p><b>Supplement to Recommendation 8.5</b></p>			
<p>1. Company requires directors to disclose their interests in transactions or any other conflict of interests.</p>	Compliant	There are no transactions requiring disclosure during the year. Please refer to the Company's RMCG	
<p><b>Optional : Recommendation 8.5</b></p>			
<p>1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.</p>	Compliant	No RPT transactions to disclosed during the year.	
<p><b>Recommendation 8.6</b></p>			

<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 shareholders and other stakeholders.</p>	Compliant	<p>There are no acquisitions or disposal of significant assets that require disclosure during the year. Please refer to the Company's Manual On Corporate Governance.</p>	
<p>2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.</p>	Compliant	<p>There are no acquisitions or disposal of significant assets that require disclosure during the year. Please refer to the Company's Manual On Corporate Governance.</p>	
<b>Supplement to Recommendation 8.6</b>			
<p>1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.</p>	Compliant	<p>Please refer to the Company's Manual on Corporate Governance</p>	
<b>Recommendation 8.7</b>			
<p>1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).</p>	Compliant	<p>Please refer to the company's Website (<a href="http://www.bhi-holdings.com">www.bhi-holdings.com</a>)</p>	
<p>2. Company's MCG is submitted to the SEC and PSE.</p>	Compliant		
<p>3. Company's MCG is posted on its company website.</p>	Compliant		
<b>Supplement to Recommendation 8.7</b>			

1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	The Company submitted its Manual On Corporate Governance on May 25, 2017 to SEC and PSE.	
<b>Optional: Principle 8</b>			
1. Does the company's Annual Report disclose the following information:	Compliant	Please refer to the Company's Annual Report SEC Form 17-A	
a. Corporate Objectives	Compliant		
b. Financial performance indicators	Compliant		
c. Non-financial performance indicators	Compliant		
d. Dividend Policy	Compliant		
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant		
f. Attendance details of each director in all directors' meetings held during the year	Compliant		
g. Total remuneration of each member of the board of directors	Compliant		
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		Please refer to the Company's Annual Report SEC Form 17-A

3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	Compliant	Please refer to the Company's Annual Report 17-A Financial Statement	
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.	Compliant	Please refer to the Company's Annual Report 17-A Financial Statement	
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).	Compliant	Please refer to the Company's Annual Report 17-A Financial Statement	
<b>Principle 9:</b> 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.			
<b>Recommendation 9.1</b>			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	Please refer to the Company's Revised Manual on Corporate Governance. SEC Form 17-A	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	Compliant	Please refer to the Company's Revised Manual on Corporate Governance. SEC Form 17-A	

3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant	Please refer to the Company's Revised Manual on Corporate Governance. SEC Form 17-A	
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**Supplement to Recommendation 9.1**

1. Company has a policy of rotating the lead audit partner every five years.	Compliant	Please refer to the Company's Revised Manual on Corporate Governance. SEC Form 17-A	
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**Recommendation 9.2**

1. Audit Committee Charter includes the Audit Committee's responsibility on: <ul style="list-style-type: none"> <li>i. assessing the integrity and independence of external auditors;</li> <li>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</li> <li>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</li> </ul>	Compliant	Please refer to the Company's Revised Manual on Corporate Governance. SEC Form 17-A	The Audit Committee Charter is under review and approval of the Board of Directors
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2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant	Please refer to the Company's Revised Manual on Corporate Governance. SEC Form 17-A	The Audit Committee Charter is under review and approval of the Board of Directors
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**Supplement to Recommendations 9.2**

<p>1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.</p>	Compliant	Please refer to the Company's Revised Manual on Corporate Governance. SEC Form 17-A	
<p>2. Audit Committee ensures that the external auditor has adequate quality control procedures.</p>	Compliant	Please refer to the Company's Revised Manual on Corporate Governance. SEC Form 17-A	
<b>Recommendation 9.3</b>			
<p>1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.</p>	Compliant	There are no non-audit services performed by the external Auditor during the year.	
<p>2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.</p>	Compliant	Please refer to the Company's Revised Manual on Corporate Governance. SEC Form 17-A	
<b>Supplement to Recommendation 9.3</b>			
<p>1. Fees paid for non-audit services do not outweigh the fees paid for audit services.</p>	Compliant	No non-audit fees paid during the Year. SEC Form 17-A	
<b>Additional Recommendation to Principle 9</b>			



<p>1. Company's external auditor is duly accredited by the SEC under Group A category.</p>	Compliant	<p>Information on company's external auditor:</p> <ol style="list-style-type: none"> <li>1. John Endel S. Mata</li> <li>2. PTR No. 8852338</li> <li>3. January 03, 2022</li> <li>4. Expired on Dec. 31, 2024</li> <li>5. Punongbayan &amp; Araullo</li> </ol> <p>20<sup>th</sup> Flr. Tower 1 The Enterprise Center Ayala Ave. Makati City T +6329882288</p>	<p>The Board is not aware if the Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review inspection program conducted by the SEC's Office of the General Accountant</p>
<p><b>Principle 10:</b> The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.</p>			
<p><b>Recommendation 10.1</b></p>			
<p>1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.</p>	Non-compliant		<p>As per Board of Directors assessment, full compliance with this recommendation is not necessary considering the size, structure and nature of operations of the Corporation.</p>
<p>2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.</p>	Non-compliant		<p>As per Board of Directors assessment, full compliance with this recommendation is not necessary considering the size, structure and nature of operations of the Corporation.</p>

**Principle 11:** The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

**Recommendation 11.1**

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

Please refer to the Company's website ([www.bhi-holdings.com](http://www.bhi-holdings.com))

**Supplemental to Principle 11**

1. Company has a website disclosing up-to-date information on the following:

Compliant

Please refer to the Company's website ([www.bhi-holdings.com](http://www.bhi-holdings.com))

a. Financial statements/reports (latest quarterly)

Compliant

b. Materials provided in briefings to analysts and media

Compliant

c. Downloadable annual report

Compliant

d. Notice of ASM and/or SSM

Compliant

e. Minutes of ASM and/or SSM

Compliant

f. Company's Articles of Incorporation and By-Laws

Compliant

**Additional Recommendation to Principle 11**

1. Company complies with SEC-prescribed website template.

**Internal Control System and Risk Management Framework**

**Principle 12:** To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.

**Recommendation 12.1**

<p>1. Company has an adequate and effective internal control system in the conduct of its business.</p>	<p>Compliant</p>	<p>The Company adopts a system of check and balance within the Board. A regular review is conducted to ensure the effectiveness of the system.</p>	
<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>Non-compliant</p>		<p>As per Board of Directors assessment, full compliance with this recommendation is not necessary considering the size, structure and nature of operations of the Corporation.</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 are annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.</p>	Compliant	Please refer to the Company's Revised Manual on Corporate Governance SEC Form 17-A	
<b>Optional: Recommendation 12.1</b>			
<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>	Non-compliant		As per Board of Directors assessment, full compliance with this recommendation is not necessary considering the size, structure and nature of operations of the Corporation.
<b>Recommendation 12.2</b>			
<p>1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.</p>	Non-compliant		As per Board of Directors assessment, full compliance with this recommendation is not necessary considering the size, structure and nature of operations of the Corporation.
<b>Recommendation 12.3</b>			
<p>1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.</p>	Non-compliant		The Company currently does not have a Chief Audit Executive appointed by the Board. Full compliance with this recommendation is not necessary considering the size, structure and nature of operations of the Corporation.

2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third-party service provider.	Non-compliant		Full compliance with this recommendation is not necessary considering the size, structure and nature of operations of the Corporation.
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel are assigned the responsibility for managing the fully outsourced internal audit activity.	Non-compliant		Full compliance with this recommendation is not necessary considering the size, structure and nature of operations of the Corporation.
<b>Recommendation 12.4</b>			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Non-compliant		Full compliance with this recommendation is not necessary considering the size, structure and nature of operations of the Corporation.
<b>Supplement to Recommendation 12.4</b>			
1. Company seeks external technical support in risk management when such competence is not available internally.	Non-compliant		Full compliance with this recommendation is not necessary considering the size, structure and nature of operations of the Corporation.
<b>Recommendation 12.5</b>			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Non-compliant		Full compliance with this recommendation is not necessary considering the size, structure and nature of operations of the Corporation.
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Non-compliant		Full compliance with this recommendation is not necessary considering the size, structure and nature of operations of the Corporation.
<b>Additional Recommendation to Principle 12</b>			

1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Non-compliant		Full compliance with this recommendation is not necessary considering the size, structure and nature of operations of the Corporation.
<b>Cultivating a Synergic Relationship with Shareholders</b>			
<b>Principle 13:</b> The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
<b>Recommendation 13.1</b>			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	Please refer to the Company's Revised Manual on Corporate Governance.	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Please refer to the Company's Website ( <a href="http://www.bhi-holdings.com">www.bhi-holdings.com</a> )	
<b>Supplement to Recommendation 13.1</b>			
1. Company's common share has one vote for one share.	Compliant	Revised Manual on Corporate Governance As provided by the Corporation's By-Laws	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	Revised Manual on Corporate Governance As provided by the Corporation's By-Laws SEC Form 20-IS	
3. Board has an effective, secure, and efficient voting system.	Compliant	Revised Manual on Corporate Governance As provided by the Corporation's By-Laws SEC Form 20-IS	
4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	Non-compliant		Full compliance with this recommendation is not necessary considering the size, structure and nature of operations of the Corporation.

5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Compliant	Shareholders has no request for a special meeting during the year. Please refer to the Company's Revised Manual on Corporate Governance. SEC Form 20-IS	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	Please refer to the Company's Revised Manual on Corporate Governance. SEC Form 20-IS Corporation's By-Laws	
7. Company has a transparent and specific dividend policy.	Compliant	Please refer to the Company's Revised Manual on Corporate Governance. SEC Form 20-IS  Please refer to the Corporation's By-laws.  The Company does not declare dividends during the year.	
<b>Optional: Recommendation 13.1</b>			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	Compliant	Punongbayan & Araullo were invited during ASM.	
<b>Recommendation 13.2</b>			

<p>1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.</p>	Compliant	<p>Notices were sent at least 28 days before the annual and specials stockholders' meeting.</p> <p>Remuneration or any changes if applicable were included in the Agenda of the meeting. Please refer to SEC Form 20-IS</p> <p>Please refer to the Corporation's By-laws.</p>	
<b>Supplemental to Recommendation 13.2</b>			
<p>1. Company's Notice of Annual Stockholders' Meeting contains the following information:</p>		<p>Provide link or reference to the company's notice of Annual Shareholders' Meeting</p>	
<p>a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)</p>	Compliant	<p>Please refer to the Company's SEC Form 20-IS</p>	
<p>b. Auditors seeking appointment/re-appointment</p>	Compliant	<p>Please refer to the Company's SEC Form 20-IS</p>	
<p>c. Proxy documents</p>	Compliant	<p>Please refer to the Company's SEC Form 20-IS</p>	
<b>Optional: Recommendation 13.2</b>			
<p>1. Company provides rationale for the agenda items for the annual stockholders meeting</p>	Compliant	<p>Please refer to the Company's SEC Form 20-IS</p>	
<b>Recommendation 13.3</b>			



<p>1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.</p>	Compliant	<p>Please refer to the Company's SEC Form 20-IS SEC Form 17-C Company's website (www.bhi-holdings.com)</p>	
<p>2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.</p>	Compliant	<p>Please refer to the Company's SEC Form 20-IS Company's website (www.bhi-holdings.com)</p>	
<b>Supplement to Recommendation 13.3</b>			
<p>1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholder questions during the ASM and SSM.</p>	Compliant	<p>Please refer to the company's SEC Form 20-IS External auditors were invited during ASM.</p>	
<b>Recommendation 13.4</b>			
<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>	Compliant	<p>Please refer to the Company's Revised Manual on Corporate Governance</p>	

2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	Please refer to the Company's Revised Manual on Corporate Governance	
<b>Recommendation 13.5</b>			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Non-compliant		The Board will assess and consider establishing an Investor Relations Officer
2. IRO is present at every shareholder's meeting.	Non-compliant		The Board will assess and consider this recommendation for full compliance.
<b>Supplemental Recommendations to Principle 13</b>			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Non-compliant		As per Board assessment, anti overtakeing measures does not apply to the business. Full compliance with this recommendation is not necessary considering the size, structure and nature of the Corporation.
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Non-compliant	The company's public float is 10.01 percent	The Company is in the process of complying with this recommendation.
<b>Optional: Principle 13</b>			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	Compliant	Please refer to the Company's Revised Manual on Corporate Governance	

2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	Non-compliant		Full compliance with this recommendation is not necessary considering the size, structure and nature of operations of the Corporation.
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**Duties to Stakeholders**

**Principle 14:** The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.

<b>Recommendation 14.1</b>			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	Please refer to the Company's Revised Manual on Corporate Governance. SEC Form 20-IS	

<b>Recommendation 14.2</b>			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	Please refer to the Company's Revised Manual on Corporate Governance. SEC Form 20-IS	

<b>Recommendation 14.3</b>			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	Compliant	Please refer to the Company's Revised Manual on Corporate Governance. SEC Form 20-IS Website ( <a href="http://www.bhi-holdings.com">www.bhi-holdings.com</a> )	

<b>Supplement to Recommendation 14.3</b>			
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	Please refer to the Company's Revised Manual on Corporate Governance. SEC Form 20-IS	
<b>Additional Recommendations to Principle 14</b>			
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	Please refer to the Company's Revised Manual on Corporate Governance. SEC Form 20-IS	
2. Company respects intellectual property rights.	Compliant	Revised Manual on Corporate Governance Website ( <a href="http://www.bhi-holdings.com">www.bhi-holdings.com</a> )	
<b>Optional: Principle 14</b>			
1. Company discloses its policies and practices that address customers' welfare	Non-compliant		
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Non-compliant		

**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

Please refer to the Company's Revised Manual on Corporate Governance. SEC Form 20-IS

The Company currently don't have a reward/compensation policy in place. Will come up with this recommendation within the year.

**Supplement to Recommendation 15.1**

1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.

Non-compliant

2. Company has policies and practices on health, safety and welfare of its employees.

Non-compliant

Will come up with this recommendation within the year.

3. Company has policies and practices on training and development of its employees.

Non-compliant

Full compliance with this recommendation is not necessary considering the size structure and nature of operations of the Corporation.

**Recommendation 15.2**

1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.

Compliant

Please refer to the Company's Revised Manual on Corporate Governance. SEC Form 20-IS Website ([www.bhi-holdings.com](http://www.bhi-holdings.com))

2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Non-compliant		Full compliance with this recommendation is not necessary considering the size structure and nature of operations of the Corporation.
<b>Supplement to Recommendation 15.2</b>			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	Non-compliant		Full compliance with this recommendation is not necessary considering the size structure and nature of operations of the Corporation.
<b>Recommendation 15.3</b>			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Compliant	Please refer to the Company's Revised Manual on Corporate Governance. Website ( <a href="http://www.bhi-holdings.com">www.bhi-holdings.com</a> )	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant	Please refer to the Company's Revised Manual on Corporate Governance. Website ( <a href="http://www.bhi-holdings.com">www.bhi-holdings.com</a> )	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	Please refer to the Company's Revised Manual on Corporate Governance. Website ( <a href="http://www.bhi-holdings.com">www.bhi-holdings.com</a> )	

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

**Recommendation 16.1**

<p>1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.</p>	<p>Non-compliant</p>		<p>Full compliance with this recommendation is not necessary considering the size structure and nature of operations of the Corporation.</p>
<p><b>Optional: Principle 16</b></p>			
<p>1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development</p>	<p>Non-compliant</p>		
<p>2. Company exerts effort to interact positively with the communities in which it operates</p>	<p>Non-compliant</p>		

SUBSCRIBED AND SWORN TO before me this 14 MAY 2022 day of May 2022, affiants, exhibiting to me their Tax Identification No./Passport ID's, as follows:

NAME	TIN NO./PASSPORT NO.	DATE OF ISSUE	PLACE OF ISSUE
MANUEL N. TANKIANSEE	P7624459A	06/29/2018	MANILA
JUANITA U. TAN	P5146684A	11/23/17	MANILA
PAOLO REDEMPTUS CAPINO	301-987-626-000		
FELISA P. ESCUDERO	167-017-993-000		
HELEN DE LEON MANZANO	P5911373B	12/09/20	NCR EAST

Doc No. 103  
Page No. 22  
Book No. 4411  
Series of 2022


**ATTY. ELISA S. CALMA, JR.**  
Quezon City Notary Public  
Roll No. 50183  
PTR No. 2454359D, Jan. 03, 2022  
IBP No. 183888, Jan. 31, 2022  
MCLE Comp. No. VI-0006924 until April 14, 2025  
20 K. Umartay St., Sampalanan Village  
Pasig, Quezon City  
Phone No. 779-967  
Fax No. 779-967  
E-mail: [elisa@elisa.net](mailto:elisa@elisa.net)  
Notary Seal No. 2022-1  
Notary Seal No. 2022-1  
Notary Seal No. 2022-1  
Notary Seal No. 2022-1



**SIGNATURES**

Pursuant to the requirement of the Securities Regulation Code, the Registrant has duly caused his report to be signed on its behalf by the undersigned hereto duly authorized.

  
**MANUEL N. TANKIANSEE**  
Chairman of the Board

  
**PAOLO REDEMPTUS A. CAPINO**  
Independent Director

  
**JUANITA U. TAN**  
President/CEO

  
**FELISA P. ESCUDERO**  
Independent Director

  
**JUANITA U. TAN**  
Compliance Officer

  
**ATTY. HELEN DE LEON MANZANO**  
Corporate Secretary