



## SEC FORM – I-ACGR

### INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **December 31, 2020**
2. SEC Identification Number **CS200613870** 3. BIR Tax Identification No. **006-346-689-000**
4. Exact name of issuer as specified in its charter **AREIT, INC.**
5. **Makati City, Philippines**  
Province, Country or other jurisdiction of  
incorporation or organization
6.  (SEC Use Only)  
Industry Classification Code:
7. **28F, Tower One, Ayala Triangle, Ayala Avenue, Makati City** **1226**  
Address of principal office Postal Code
8. **(632) 7908-3804**  
Issuer's telephone number, including area code
9. **Not applicable**  
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>The Board's Governance Responsibilities</b>			
<b>Principle 1:</b> 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.			
<b>Recommendation 1.1</b>			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	Provide information or link/reference to a document containing information on the following:	
2. Board has an appropriate mix of competence and expertise.	Compliant	1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors	
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	<p><b><i>The AREIT Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the property sector.</i></b></p> <p>Ref: pg 46 to 49 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance and Risk Management; pg 18 to 21 &gt; AREIT 2020 Integrated Report &gt; Board of Directors  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p><b><i>Designation, years appointed and expertise of the Board of Directors</i></b></p> <p>Ref pg 49 &gt; AREIT 2020 Integrated Report &gt; Board Matters &gt; AREIT Board of Directors 2020 table</p>	

<https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf>

**Relevant Trainings of Directors**

Ref: pg 52 > AREIT 2020 Integrated Report > Training and Continuous Education of AREIT Board of Directors

<https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf>

2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance

**Qualification standards for directors to facilitate the selection of potential nominees in the Board.**

Ref: pg 1 > Charter of the Corporate Governance and Nomination Committee > 1. Membership > 1.1

Composition <https://areit.com.ph/media/pages/governance/board-committees/174f2c9997-1624861165/areit-charter-of-the-corporate-governance-and-nomination-committee-26may21.pdf>

Ref: pg 56 > AREIT 2020 Integrated Report > Corporate Governance and Risk Management > Process and Criteria for Nominations, Election, and Re-Appointments to the Board

		<a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a>  <b>Process and criteria for nominations to the Board</b> Ref: pg 56 > 2020 Integrated Report > Process and Criteria for Nominations, Elections, and Re-Appointments to the Board <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a>	
<b>Recommendation 1.2</b>			
1. Board is composed of a majority of non-executive directors.	Compliant	Identify or provide link/reference to a document identifying the directors and the type of their directorships  <b>AREIT's Board is composed of a majority of Non-Executive Directors.</b> Ref: pg 49 > 2020 Integrated Report > Corporate Governance > Board Matters > AREIT Board of Directors 2020 table <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a>	
<b>Recommendation 1.3</b>			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	Provide link or reference to the company's Board Charter and Manual on Corporate	

2. Company has an orientation program for first time directors.	Compliant	Governance relating to its policy on training of directors.  <b>AREIT provides in its Manual on Corporate Governance (CG Manual) a policy on training of directors</b> Ref: pg 21 > AREIT CG Manual > 1.13 Specific Responsibilities of each Director > item i and j <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a>	
3. Company has relevant annual continuing training for all directors.	Compliant	<b>Training and Continuous Education of AREIT Directors</b> Ref: pg 52 > AREIT 2020 Integrated Report > Training and Continuous Education of AREIT Board of Directors <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a>	
<b>Recommendation 1.4</b>			
1. Board has a policy on board diversity.	Compliant	Provide information on or link/reference to a document containing information on the company's board diversity policy. Indicate gender composition of the board.  <b>Board Diversity</b> Ref: pg 8 > AREIT CG Manual > Article II Governance Structure > 1. The Board of Directors > 1.2 Diversity <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a>	

		<p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p> <p>Ref: pg 48 &gt; 2020 Integrated Report &gt; Board Matters &gt; Skills Competency, and Diversity  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p>Ref: pg 1 &gt; Board Charter &gt; Item 2 Membership &gt; 2.1 Composition  <a href="https://areit.com.ph/media/pages/our-company/board-of-directors-management-team-and-executive-officers/60ff1f1a5e-1624861985/areit-charter-of-the-board-of-directors-26may21.pdf">https://areit.com.ph/media/pages/our-company/board-of-directors-management-team-and-executive-officers/60ff1f1a5e-1624861985/areit-charter-of-the-board-of-directors-26may21.pdf</a></p> <p><b>There is one female member of the Board.</b>  Ref: pg 19 &gt; 2020 Integrated Report &gt; Profiles of Carol T. Mills  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
<b>Optional: Recommendation 1.4</b>			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	Compliant	<p>Provide information on or link/reference to a document containing the company's policy and measurable objectives for implementing board diversity.</p> <p>Provide link or reference to a progress report in achieving its objectives.</p> <p><b>Board Diversity</b></p>	

		<p>Ref: pg 7 &gt; AREIT CG Manual &gt; Article II Governance Structure &gt; 1. The Board of Directors &gt; 1.2 Diversity  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p> <p><b>Board Composition</b>  Ref: pg 1 &gt; Board Charter &gt; Item 2 Membership &gt; 2.1 Composition  <a href="https://areit.com.ph/media/pages/our-company/board-of-directors-management-team-and-executive-officers/60ff1f1a5e-1624861985/areit-charter-of-the-board-of-directors-26may21.pdf">https://areit.com.ph/media/pages/our-company/board-of-directors-management-team-and-executive-officers/60ff1f1a5e-1624861985/areit-charter-of-the-board-of-directors-26may21.pdf</a></p> <p><b>AREIT Board Skills Matrix</b>  Ref: pg 48 to 49 &gt; 2020 Integrated Report &gt; Board Matters &gt; Skills Competency, and Diversity  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
<b>Recommendation 1.5</b>			
1. Board is assisted by a Corporate Secretary.	Compliant	<p>Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.</p> <p><b>The Board is assisted by a Corporate Secretary that is a separate individual from the Chief Compliance Officer and is not a member of the Board.</b></p>	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		

		<p>Ref: pg 47 &gt; AREIT 2020 Integrated Report &gt; Governance Structure &gt; Corporate Secretary  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p><a href="https://www.areit.com.ph/our-company/board-of-directors-management-team-and-executive-officers/solomon-mateo-hermosura">https://www.areit.com.ph/our-company/board-of-directors-management-team-and-executive-officers/solomon-mateo-hermosura</a></p> <p>Ref: pg 41 &gt; AREIT CG Manual &gt; 3.6 The Corporate Secretary  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p>	
4. Corporate Secretary attends training/s on corporate governance.	Compliant	<p>Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered</p> <p><b><i>The Corporate Secretary attends training/s on corporate governance.</i></b>  Ref: pg 3 &gt; Governance &gt; CG Trainings and Seminars &gt; AREIT Website  <a href="https://areit.com.ph/media/pages/governance/cg-training-and-seminars/4fc074954f-1624862683/areit-certificates-officers-2020.pdf">https://areit.com.ph/media/pages/governance/cg-training-and-seminars/4fc074954f-1624862683/areit-certificates-officers-2020.pdf</a></p>	
<b>Optional: Recommendation 1.5</b>			

1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	Compliant	<p>Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting</p> <p><b>Board materials are distributed to the Board of Directors at least five business days prior to the meeting.</b></p> <p>Ref: pg 51 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance and Risk Management &gt; Board Matters &gt; Meetings and Attendance 2020  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p>Ref: pg 41 &gt; AREIT CG Manual &gt; 3.6 The Corporate Secretary&gt; Item f  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p>	
<b>Recommendation 1.6</b>			
1. Board is assisted by a Compliance Officer.	Compliant	<p>Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.</p> <p><b>The Board is assisted by a Chief Compliance Officer whose position is accorded adequate stature and authority in the corporation, and is not a member of the Board.</b></p>	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant		
3. Compliance Officer is not a member of the board.	Compliant		

		<p>Ref: pg 47 &gt; AREIT 2020 Integrated Report &gt; AREIT's Corporate Governance Structure; Chief Compliance Officer  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p><a href="https://www.areit.com.ph/our-company/board-of-directors-management-team-and-executive-officers/elaine-marie-f-alzona">https://www.areit.com.ph/our-company/board-of-directors-management-team-and-executive-officers/elaine-marie-f-alzona</a></p> <p><b>Duties and responsibilities of the Compliance Officer</b>  Ref: pg 50 &gt; ALI CG Manual &gt; Article V Audit and Compliance &gt; 3. Compliance System &gt; The Compliance Officer shall perform the following duties  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p>	
4. Compliance Officer attends training/s on corporate governance.	Compliant	<p>Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered</p> <p><b>The Chief Compliance Officer attends trainings on corporate governance.</b>  Ref: pg 2 &gt; Governance &gt; CG Trainings and Seminars &gt; AREIT Website  <a href="https://areit.com.ph/media/pages/governance/cg-training-and-seminars/4fc074954f-">https://areit.com.ph/media/pages/governance/cg-training-and-seminars/4fc074954f-</a></p>	

		<a href="#">1624862683/areit-certificates-officers-2020.pdf</a>	
<b>Principle 2:</b> 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>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	<p>Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)</p> <p><b><i>Duties and Responsibilities of Board of Directors</i></b>  Ref: pg 22 &gt; AREIT CG Manual &gt; Article II Governance &gt; 1.13 Specific Responsibilities of each Director  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p> <p><b><i>Board Committees</i></b></p> <p><b><i>Executive Committee</i></b>  <b><i>The Executive Committee had no meetings in 2020 as AREIT was only listed in August 2020. Nevertheless, duties and responsibilities of the committee is indicated in the Integrated Report.</i></b>  Ref: pg 53 &gt; AREIT 2020 Integrated Report &gt; Board Committees &gt; Executive Committee  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-</a></p>	

[1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf](https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf)

**Audit Committee**

Ref: pg 53 to 54 > AREIT 2020 Integrated Report > Board Committees > Audit Committee

<https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf>

**Board Risk Oversight Committee**

*The Board Risk Oversight Committee had no meetings in 2020 as AREIT was only listed in August 2020. Nevertheless, duties and responsibilities of the committee is indicated in the Integrated Report.*

Ref: pg 54 > AREIT 2020 Integrated Report > Board Committees > Risk Oversight Committee

<https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf>

**Corporate Governance and Nomination**

Ref: pg 54 > AREIT 2020 Integrated Report > Board Committees > Corporate Governance and Nomination Committee

<https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf>

**Personnel and Compensation Committee**

***The Personnel and Compensation Committee had no meetings in 2020 as AREIT was only listed in August 2020. Nevertheless, duties and responsibilities of the committee is indicated in the Integrated Report.***

Ref: pg 54 to 55 > AREIT 2020 Integrated Report > Board Committees > Personnel and Compensation Committee

<https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf>

***Related Party Transactions Review Committee***

Ref: pg 55 > AREIT 2020 Integrated Report > Board Committees > Related Party Transactions Review Committee

<https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf>

***Sustainability Committee***

***The Sustainability Committee had no meetings in 2020 as AREIT was only listed in August 2020. Nevertheless, duties and responsibilities of the committee is indicated in the Integrated Report.***

Ref: pg 55 > AREIT 2020 Integrated Report > Board Committees > Sustainability Committee

<https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf>

		<a href="#">1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a>	
<b>Recommendation 2.2</b>			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting).	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant	<p>Indicate frequency of review of business objective and strategy</p> <p><b><i>The Board oversees the development, review and approval of the company's business objectives and strategy.</i></b>  Ref: pg 16 &gt; AREIT CG Manual &gt; Article II Corporate Governance &gt; 1. The Board of Directors &gt; 1.10 General responsibility of the Board for Good Governance  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p> <p>Page 6 &gt; AREIT Board Charter&gt; Powers, Duties and Responsibilities&gt; Item u.  <a href="https://areit.com.ph/media/pages/our-company/board-of-directors-management-team-and-executive-officers/60ff1f1a5e-1624861985/areit-charter-of-the-board-of-directors-26may21.pdf">https://areit.com.ph/media/pages/our-company/board-of-directors-management-team-and-executive-officers/60ff1f1a5e-1624861985/areit-charter-of-the-board-of-directors-26may21.pdf</a></p> <p><b><i>The Board held at least six regular meetings in 2020.</i></b></p>	

		<p>Ref: pg 51 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance &gt; Board Matters &gt; Meetings and Attendance</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
<b>Supplement to Recommendation 2.2</b>			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	<p>Indicate or provide link/reference to a document containing the company's vision, mission and core values. Indicate frequency of review of the vision, mission and core values.</p> <p><b>AREIT's Vision, Mission and Core Values</b>  Ref: AREIT website &gt; Our Company &gt; Mission and Vision  <a href="https://areit.com.ph/our-company/mission-and-vision">https://areit.com.ph/our-company/mission-and-vision</a></p> <p>Ref: pg 2 &gt; AREIT 2020 Integrated Report &gt; About the Company &gt; Mission and Vision  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p><b>The Board reviews the Vision and Mission annually.</b>  Ref: pg 4 &gt; AREIT Board Charter &gt; Article 4 Powers, Duties and Responsibilities &gt; Item B  <a href="https://areit.com.ph/media/pages/our-company/board-of-directors-management-team-and-executive-officers/60ff1f1a5e-">https://areit.com.ph/media/pages/our-company/board-of-directors-management-team-and-executive-officers/60ff1f1a5e-</a></p>	

		<a href="#">1624861985/areit-charter-of-the-board-of-directors-26may21.pdf</a>	
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>Provide information on or link/reference to a document containing information on the strategy execution process.</p> <p><b><i>The Board provides sound written policies and strategic guidelines on key capital expenditures, and periodically evaluates and monitors implementation of such strategies.</i></b></p> <p>Ref: pg 18 &gt; AREIT CG Manual &gt; Article II Corporate Governance &gt; 1. The Board of Directors &gt; 1.12 Specific Duties of the Board of Directors&gt; item K</p> <p><a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p>	
<b>Recommendation 2.3</b>			
1. Board is headed by a competent and qualified Chairperson.	Compliant	<p>Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications</p> <p><b><i>The Board is headed by a competent and qualified Chairperson.</i></b></p> <p>Ref: pg 18 &gt; AREIT 2020 Integrated Report &gt; Chairman's Profile</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	

**Recommendation 2.4**

1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant	<p><b><i>The Board ensures and adopts an effective succession planning program for directors and key officers.</i></b> Ref: pg 17, 26 to 27 &gt; AREIT CG Manual &gt; Article II Corporate Governance &gt; 1. The Board of Directors &gt; 1.10 General Responsibility of the Board for Good Governance &gt; item d &gt; item v; 1.12 Specific Duties of the Board of Directors&gt; item j; 2.2 Corporate Governance and Nomination Committee&gt; items d &amp; <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p> <p><b><i>The Board adopts a policy on the retirement for directors and key officers.</i></b> Ref: pg 8 and 21 &gt; AREIT CG Manual &gt; Article II Corporate Governance &gt; 1. The Board of Directors &gt; 1.4 Retirement Age; 1.12 Specific Duties of the Board of Directors&gt; Item p <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p> <p><b><i>The Corporate Governance and Nomination Committee reviews and discloses the</i></b></p>	

		<p><b>successions plans for members of the Board, and officers for the position of Group Directors to the President/CEO.</b></p> <p>Ref: pg 5 &gt; AREIT Corporate Governance and Nomination Committee Charter &gt; 2. Powers, Duties and Responsibilities of the Committee &gt; 2.1 Duties and Responsibilities &gt; Item I</p> <p><a href="https://areit.com.ph/media/pages/governance/board-committees/174f2c9997-1624861165/areit-charter-of-the-corporate-governance-and-nomination-committee-26may21.pdf">https://areit.com.ph/media/pages/governance/board-committees/174f2c9997-1624861165/areit-charter-of-the-corporate-governance-and-nomination-committee-26may21.pdf</a></p>	
<b>Recommendation 2.5</b>			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant	<p><b><i>The Personnel and Compensation Committee of the Board shall fix the remuneration packages of corporate officers and Directors ensuring that a performance-based compensation is provided for and consistent with the Corporation's culture, strategy, and control environment.</i></b></p> <p>Ref: pg 26 to 27 &gt; AREIT CG Manual &gt; Board Committees &gt; Article II Corporate Governance &gt; 2. Board Committees &gt; 2.2 Corporate Governance and Nomination Committee &gt; item I; 2.3 Personnel and Compensation Committee&gt; Item a to c</p> <p><a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-">https://areit.com.ph/media/pages/governance/manual-on-corporate-</a></p>	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant		

[governance/4400590d43-1624863422/aret-corporate-governance-manual-updated.pdf](https://www.aret.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf)

Ref: pg 52 > 2021 Integrated Report > Corporate Governance and Risk Management> Remuneration  
<https://aret.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf>

Ref: pg 13> Definitive Information Statement> Item 6. Compensation of Directors and Executive Officers  
<https://www.aret.com.ph/media/pages/company-disclosures/disclosures/sec/4bf2f19511-1617614420/sec-form-20-dis-2021-annual-stockholders-meeting.pdf>

**AREIT shall formulate and adopt a policy specifying the relationship between remuneration and performance.**

Ref: pg 18 > AREIT CG Manual > Article II Governance Structure > 1. The Board of Directors > 1.12 Specific Duties of the Board of Directors > Item f  
<https://aret.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/aret-corporate-governance-manual-updated.pdf>

**No Director is involved in deciding his or her own remuneration.**

Ref: pg 24 > AREIT CG Manual > Article II Corporate Governance > 1. The Board of

		<p>Directors &gt; 1.15 Compensation and Liability Insurance Coverage of Directors &gt; Item b; Board Committees &gt; 2.3 Personnel and Compensations Committee</p> <p><a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p>	
<b>Optional: Recommendation 2.5</b>			
1. Board approves the remuneration of senior executives.	Compliant	<p>Provide proof of board approval</p> <p><b><i>All directors and key officers of AREIT are seconded from Ayala Land, Inc. (ALI). Nevertheless, the Board of Directors through the Personnel and Compensation Committee shall establish a formal and transparent procedure for developing and for fixing the remuneration packages of corporate officers and directors.</i></b></p> <p>Ref: pg 27 &gt; AREIT CG Manual &gt; Article II Corporate Governance &gt; 2. Board Committees &gt; 2.3 Personnel and Compensation Committee&gt; Item a</p> <p><a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p>	
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.	Compliant	<p>Provide information on or link/reference to a document containing measurable standards to align performance-based remuneration with the long-term interest of the company.</p>	

		<p><b><i>All of AREIT's executives and non-independent directors are seconded from ALI. Based on ALI's existing policies, ALI's senior executives are rewarded based on their performance through bonuses and stock ownership (ESOWN) as part of ALI's compensation policy. These are based on individual key deliverables which are established at the start of the year. The ESOWN is awarded to high-potential officers who consistently exceed their key performance indicators. The ESOWN is a deferred stock ownership program which allows employees to pay for their grants over a multi-year period, and hence, aligns their performance with that of the company's over the long term.</i></b></p> <p><i>Ref: pg 105 &gt; 2020 ALI Integrated Report &gt; Social Engagement &gt; Employees and Workers &gt; Compensation and Rewards</i></p> <p><a href="https://ir.avalaland.com.ph/wp-content/uploads/2021/04/ALI-AR-2020-20210420_WEB-1.pdf">https://ir.avalaland.com.ph/wp-content/uploads/2021/04/ALI-AR-2020-20210420_WEB-1.pdf</a></p>	
<b>Recommendation 2.6</b>			
1. Board has a formal and transparent board nomination and election policy.	Compliant	Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.	
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	<p><b>1. The Board has a formal and transparent nomination and election policy.</b>  Ref: pg 2 &gt; AREIT Charter of the Board of Directors &gt; 2. Membership &gt; 2.3 Election of Directors  <a href="https://areit.com.ph/media/pages/our-company/board-of-directors-management-team-and-executive-officers/60ff1f1a5e-1624861985/areit-charter-of-the-board-of-directors-26may21.pdf">https://areit.com.ph/media/pages/our-company/board-of-directors-management-team-and-executive-officers/60ff1f1a5e-1624861985/areit-charter-of-the-board-of-directors-26may21.pdf</a></p>	
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant	<p>Ref: pg 5&gt; Definitive Information Statement&gt; i. Directors and Executive Officers  <a href="https://www.areit.com.ph/media/pages/company-disclosures/disclosures/sec/4bf2f19511-1617614420/sec-form-20-dis-2021-annual-stockholders-meeting.pdf">https://www.areit.com.ph/media/pages/company-disclosures/disclosures/sec/4bf2f19511-1617614420/sec-form-20-dis-2021-annual-stockholders-meeting.pdf</a></p>	
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	<p><b>2. The Board, through the Corporate Governance and Nomination Committee, determines the nomination and election process as disclosed in the company's CG Manual.</b>  Ref: pg 26 &gt; AREIT CG Manual &gt; Article II Governance &gt; 2. Board Committees &gt; 2.2 Corporate Governance and Nomination Committee &gt; Items g - j  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p> <p>Provide proof if minority shareholders have a right to nominate candidates to the board</p>	

**3. The Board nomination and election policy includes how the company accepted nominations from minority shareholders.**

Ref: pg 2 > AREIT Charter of the Board of Directors > 2. Membership > 2.3 Election of Directors

<https://areit.com.ph/media/pages/our-company/board-of-directors-management-team-and-executive-officers/60ff1f1a5e-1624861985/areit-charter-of-the-board-of-directors-26may21.pdf>

**Nominations from minority shareholders is discussed in the CG Manual under Shareholders Rights – Voting right and in the Charter of Board of Directors under Election of Directors.**

Ref: pg 55 > AREIT CG Manual > Article VII Stockholders' Rights and Protection of Minority Stockholders' Interests > 1.

Shareholder Rights > 1.1 Voting Right

<https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf>

Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.

**4. The Board, through the Corporate Governance and Nomination Committee, determines the shortlisting of candidates.**

Ref: pg 26 > AREIT CG Manual > Article II Governance > 2. Board Committees > 2.2

		<p>Corporate Governance and Nomination Committee &gt; Items g - j  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p> <p><b>5. The Board, through the Corporate Governance and Nomination Committee, assess the effectiveness of the Board's processes in the nomination, election or replacement of a director.</b>  Ref: pg 26-27 &gt; AREIT CG Manual &gt; Article II Governance &gt; 2. Board Committees &gt; 2.2 Corporate Governance and Nomination Committee &gt; Items k -n  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p> <p><b>6. The Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.</b>  Ref: pg 7 to 8 &gt; AREIT CG Manual &gt; Article II Governance &gt; 1. Board of Directors &gt; 1.1 Composition, 1.2 Diversity and 1.3 Qualifications  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p> <p>Ref: pg 1 &gt; AREIT Charter of the Board of Directors &gt; 2. Membership &gt; 2.1 Composition</p>	
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<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.	Compliant	<p>Identify the professional search firm used or other external sources of candidates</p> <p><b><i>The Board, through the Corporate Governance and Nomination Committee, may likewise identify and recommend qualified individuals for nomination and election to the Board. For this purpose, the Committee shall make use of professional search firms or other external sources of candidates to search for qualified candidates to the Board.</i></b></p> <p>Ref: pg 56 &gt; 2020 Integrated Report &gt; Corporate Governance and Risk Management &gt; Process and Criteria for Nominations, Election, and Re-appointments to the Board</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
<b>Recommendation 2.7</b>			
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	Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs	

2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	<p><b><i>The Board has an overall responsibility in ensuring that there is a group-wide policy system in governing RPTs and other unusual or infrequently occurring transactions through the Related-Party Transactions Review Committee.</i></b></p> <p>Ref: pg 34 &gt; AREIT CG Manual &gt; Article II &gt; 2.6 Related Party Transactions Review Committee</p> <p><a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p>	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant	<p><b><i>AREIT's RPT Policy includes appropriate review and approval of material RPTs which guarantee fairness and transparency of the transactions.</i></b></p> <p>Ref: pg 6 to 7 &gt; AREIT RPT Policy &gt; 4. Identification, Review and Approval of the Related Party Transactions</p> <p><a href="https://areit.com.ph/media/pages/governance/company-policies/related-party-transactions-policy/7334d5da1e-1624862899/areit-related-party-transactions-policy-1mar2021.pdf">https://areit.com.ph/media/pages/governance/company-policies/related-party-transactions-policy/7334d5da1e-1624862899/areit-related-party-transactions-policy-1mar2021.pdf</a></p> <p><b><i>AREIT's RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile, and complexity of operations.</i></b></p> <p>Ref: pg 1 to 6 &gt; AREIT RPT Policy &gt; 3. Definitions</p> <p><a href="https://areit.com.ph/media/pages/governance/company-policies/related-party-transactions-policy/7334d5da1e-1624862899/areit-related-party-transactions-policy-1mar2021.pdf">https://areit.com.ph/media/pages/governance/company-policies/related-party-transactions-policy/7334d5da1e-1624862899/areit-related-party-transactions-policy-1mar2021.pdf</a></p>	

		<p><a href="#">1624862899/areit-related-party-transactions-policy-1mar2021.pdf</a></p> <p>Identify transactions that were approved pursuant to the policy.</p> <p><b><i>In 2020, the RPT Review Committee reviewed, discussed, approved and endorsed five transactions.</i></b>  Ref: pg 55 &gt; AREIT 2020 Integrated Report &gt; Board Committees &gt; Related-Party Transactions Review Committee &gt; Item 3  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
<b>Supplement to Recommendations 2.7</b>			
<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>	Compliant	<p>Provide information on a materiality threshold for RPT disclosure and approval, if any.</p> <p>Provide information on RPT categories</p> <p><b><i>The RPT Policy clearly defines pre-approved RPTs which are in the nature of normal transactions in the ordinary course of business and RPT transactions that require the review of the committee for endorsement to the Board for approval. All RPTs approved by the Board are disclosed in the relevant financial reports required under IAS 24 on Related Party Disclosures and other applicable disclosure requirements.</i></b></p>	

		<p>Ref: pg 6 to 11 &gt; AREIT Related Party Transactions Policy &gt; 4. Identification, Review and Approval of Related Party Transactions, 5. Related Party Transactions Delegated to Management, 6. Identification and Review of Material RPTs, and, 7. Approval of RPTs and Material RPTs</p> <p><a href="https://areit.com.ph/media/pages/governance/company-policies/related-party-transactions-policy/7334d5da1e-1624862899/areit-related-party-transactions-policy-1mar2021.pdf">https://areit.com.ph/media/pages/governance/company-policies/related-party-transactions-policy/7334d5da1e-1624862899/areit-related-party-transactions-policy-1mar2021.pdf</a></p>	
<p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p>	Compliant	<p>Provide information on voting system, if any.</p> <p><b><i>All RPTs and Material RPTs shall be reviewed by the RPT Review Committee whose majority membership must be composed of independent directors who shall vote unanimously, and approved by at least two-thirds (2/3) vote of the Board of Directors, including the unanimous vote of all the majority of the independent directors voting to approve the same.</i></b></p> <p>Ref: pg 10 &gt; AREIT Related Party Transactions Policy &gt; 7. Approval of RPTs and Material RPTs&gt; Paragraph 2</p> <p><a href="https://areit.com.ph/media/pages/governance/company-policies/related-party-transactions-policy/7334d5da1e-1624862899/areit-related-party-transactions-policy-1mar2021.pdf">https://areit.com.ph/media/pages/governance/company-policies/related-party-transactions-policy/7334d5da1e-1624862899/areit-related-party-transactions-policy-1mar2021.pdf</a></p>	

## 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>	<p>Compliant</p>	<p>Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management.</p> <p><b><i>The Board is primarily responsible for approving the selection of the President, CEO and other senior officers.</i></b></p> <p>Ref: pg 18 and 27 &gt; AREIT CG Manual &gt; Article II Governance &gt; 1. The Board of Directors &gt; 1.12 Specific Duties of the Board of Directors &gt; item I; 2.2 Corporate Governance and Nomination Committee &gt; item I</p> <p><a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p> <p>Identify the Management team appointed</p> <p><b><i>For 2021, appointed members of the Management Team as approved by the Board is contained in the disclosure of the results of the Annual Stockholders' Meeting (ASM) and Organizational Meeting of the Board on April 23, 2021.</i></b></p> <p>Ref: pg 3 to 4 &gt; Results of the 2020 Annual Stockholders' Meeting and Organizational Board Meeting, 23 April 2021 &gt; AREIT Website &gt; Disclosures &gt; PSE Disclosures &gt; Disclosure 2021-04-23 Results of the 2021 ASM and Org. BOD</p> <p><a href="https://areit.com.ph/media/pages/company-disclosures/disclosures/pse/bd55373f8c-1619512246/disclosure-2021-04-23-results-">https://areit.com.ph/media/pages/company-disclosures/disclosures/pse/bd55373f8c-1619512246/disclosure-2021-04-23-results-</a></p>	
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2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	<p>Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.</p> <p>Provide information on the assessment process and indicate frequency of assessment of performance.</p> <p><b><i>The Board shall conduct an annual performance assessment of its members, the President and CEO, and Management.</i></b>  Ref: pg 20 &gt; AREIT CG Manual &gt; Article II Governance &gt; 1. The Board of Directors &gt; 1.12 Specific duties of the Board of Directors &gt; item s  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p> <p>Ref: pg 5 &gt; AREIT Board Charter &gt; 4. Powers, Duties, and Responsibilities &gt; item s  <a href="https://areit.com.ph/media/pages/our-company/board-of-directors-management-team-and-executive-officers/60ff1f1a5e-1624861985/areit-charter-of-the-board-of-directors-26may21.pdf">https://areit.com.ph/media/pages/our-company/board-of-directors-management-team-and-executive-officers/60ff1f1a5e-1624861985/areit-charter-of-the-board-of-directors-26may21.pdf</a></p> <p><b><i>The CEO, Chief Compliance Officer, and Chief Audit Executive all report directly to the Board.</i></b></p>	

		<p>Ref: pg 47 &gt; 2020 Integrated Report &gt; Corporate Governance &gt; AREIT'S Corporate Governance Structure &gt; Chart on AREIT's CG Structure</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
<b>Recommendation 2.9</b>			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	Compliant	Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant	<p><b><i>The Board establishes the Vision and Mission, strategic objectives, key policies and procedures for the management of the corporation, as well as the mechanism for monitoring and evaluating Management's performance.</i></b></p> <p>Ref: pg 16 &gt; AREIT CG Manual &gt; Article II Governance &gt; 1. The Board of Directors &gt; 1.10 General Responsibility of the Board for Good Governance &gt; item b</p> <p><a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p> <p>Ref: pg 5 &gt; AREIT Board Charter &gt; 4. Powers, Duties, and Responsibilities &gt; item s</p> <p><a href="https://areit.com.ph/media/pages/our-company/board-of-directors-management-team-and-executive-officers/60ff1f1a5e-">https://areit.com.ph/media/pages/our-company/board-of-directors-management-team-and-executive-officers/60ff1f1a5e-</a></p>	

		<p><a href="#">1624861985/areit-charter-of-the-board-of-directors-26may21.pdf</a></p> <p><b>AREIT, through its Personnel and Compensation Committee, is tasked to establish a formal and transparent procedure for developing a policy on remuneration ensuring that a performance-based compensation is provided for and consistent with AREIT's culture, strategy and control environment.</b></p> <p>Ref: pg 27 &gt; AREIT CG Manual &gt; Article II Governance Structure &gt; 2. Board Committees &gt; 2.3 Personnel and Compensation Committee &gt; Item a to c</p> <p><a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p>	
<b>Recommendation 2.10</b>			
1. Board oversees that an appropriate internal control system is in place.	Compliant	<p>Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system</p> <p><b>The Board has an internal control system in place which includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.</b></p> <p>Ref: pg 16 &gt; AREIT CG Manual &gt; Article II Governance &gt; 1. The Board of Directors &gt;</p>	

		<p>1.10 General Responsibility of the Board for good governance &gt; item d</p> <p><a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p>	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Non-Compliant		<p><b>AREIT has yet to adopt a Conflict of Interest Policy. As an affiliate of ALI, it adheres to and is covered by the Conflict of Interest Policy of ALI.</b></p> <p>Ref: ALI IR Website &gt; Corporate Governance &gt; Conflict of Interest Policy</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2016/01/File_137_Conflict-of-Interest-Oct-2015.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2016/01/File_137_Conflict-of-Interest-Oct-2015.pdf</a></p>
3. Board approves the Internal Audit Charter.	Compliant	<p>Provide reference or link to the company's Internal Audit Charter</p> <p><b>AREIT's Internal Audit Charter</b></p> <p>Ref: pg 2-3 &gt; Internal Audit Charter &gt; H. Responsibility</p> <p><a href="https://areit.com.ph/media/pages/governance/board-committees/a393cc2860-1624863222/areit-internal-audit-charter.pdf">https://areit.com.ph/media/pages/governance/board-committees/a393cc2860-1624863222/areit-internal-audit-charter.pdf</a></p>	
<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.	Compliant	Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.	
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>Provide proof of effectiveness of risk management strategies, if any.</p> <p><b><i>The Board oversees that AREIT has in place a sound ERM framework.</i></b>  Ref: pg 32 to 33 &gt; AREIT CG Manual &gt; Article II Governance &gt; 2. Board Committees &gt; 2.5 Board Risk Oversight Committee &gt; item a-d  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p> <p><b><i>AREIT management and its Risk Oversight Committee will develop a formal ERM plan that will guide the Board in identifying risk exposures, as well as the effectiveness of risk management strategies.</i></b>  Ref: pg 60 to 61 &gt; AREIT 2020 Integrated Report &gt; Risk Management  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
<b>Recommendation 2.12</b>			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	Provide link to the company's website where the Board Charter is disclosed.	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant	<b><i>The Board has a charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role and serves as a guide to the directors in the performance of their functions. It is publicly available on AREIT's IR website.</i></b>	
3. Board Charter is publicly available and posted on the company's website.	Compliant		

		<p>Ref: AREIT Website &gt; Governance &gt; Board Committees &gt; AREIT Board of Directors Charter</p> <p><a href="https://areit.com.ph/media/pages/our-company/board-of-directors-management-team-and-executive-officers/60ff1f1a5e-1624861985/areit-charter-of-the-board-of-directors-26may21.pdf">https://areit.com.ph/media/pages/our-company/board-of-directors-management-team-and-executive-officers/60ff1f1a5e-1624861985/areit-charter-of-the-board-of-directors-26may21.pdf</a></p>	
<b>Additional Recommendation to Principle 2</b>			
1. Board has a clear insider trading policy.	Compliant	<p>Provide information on or link/reference to a document showing company's insider trading policy.</p> <p><b><i>The Board has a clear insider trading policy which also covers key officers of AREIT.</i></b></p> <p>Ref: AREIT Website &gt; Governance &gt; Company Policies &gt; Insider Trading Policy</p> <p><a href="https://areit.com.ph/media/pages/governance/company-policies/insider-trading-policy/7b1575703c-1624863282/areit-insider-trading-policy-15jan21.pdf">https://areit.com.ph/media/pages/governance/company-policies/insider-trading-policy/7b1575703c-1624863282/areit-insider-trading-policy-15jan21.pdf</a></p>	
<b>Optional: Principle 2</b>			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.	Compliant	<p>Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any.</p> <p><b><i>None of the directors in his or her personal capacity has been contracted by AREIT for services other than those provided as a director. AREIT has no other arrangement regarding the remuneration of its directors and officers aside from the compensation as stated in the CG Manual.</i></b></p>	

		<p>Ref: pg 52 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance and Risk Management &gt; Board Matters&gt; Remuneration</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
2. Company discloses the types of decision requiring board of directors' approval.	Compliant	<p>Indicate the types of decision requiring board of directors' approval and where there are disclosed.</p> <p><b>AREIT discloses the list of items that require Board approval under its powers, duties and responsibilities.</b></p> <p>Ref: pg 4 to 6 &gt; AREIT Charter of the Board of Directors &gt; 4. Powers, Duties and Responsibilities &gt; items a to w</p> <p><a href="https://areit.com.ph/media/pages/our-company/board-of-directors-management-team-and-executive-officers/60ff1f1a5e-1624861985/areit-charter-of-the-board-of-directors-26may21.pdf">https://areit.com.ph/media/pages/our-company/board-of-directors-management-team-and-executive-officers/60ff1f1a5e-1624861985/areit-charter-of-the-board-of-directors-26may21.pdf</a></p>	
<p><b>Principle 3:</b> Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.</p>			
<p><b>Recommendation 3.1</b></p>			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	Provide information or link/reference to a document containing information on all the board committees established by the company.	

		<p><b>The AREIT Board established Board Committees to support it in the performance of its functions and in accordance with the By-Laws of the Corporation and to aid in good governance.</b></p> <p>Ref: pg 24 &gt; AREIT CG Manual &gt; 2. Board Committees</p> <p><a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p> <p>Ref: AREIT Website &gt; Governance &gt; Board Committees</p> <p><a href="https://www.areit.com.ph/governance/board-committees">https://www.areit.com.ph/governance/board-committees</a></p> <p>Ref: pg 46 to 47 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance and Risk Management</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p>Ref: pg 7 to 8 &gt; AREIT Board Charter &gt; 4.3 Board Committees</p> <p><a href="https://areit.com.ph/media/pages/our-company/board-of-directors-management-team-and-executive-officers/60ff1f1a5e-1624861985/areit-charter-of-the-board-of-directors-26may21.pdf">https://areit.com.ph/media/pages/our-company/board-of-directors-management-team-and-executive-officers/60ff1f1a5e-1624861985/areit-charter-of-the-board-of-directors-26may21.pdf</a></p>	
<b>Recommendation 3.2</b>			

<p>1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the Audit Committee, including its functions.</p> <p>Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.</p> <p><b><i>The AREIT Board established the Audit Committee to assist fulfill its responsibility for oversight of the company's corporate governance processes with duties as stated in its charter and the CG Manual.</i></b></p> <p>Ref: pg 28 &gt; AREIT CG Manual &gt; Article II Governance &gt; 2. Board Committees &gt; 2.4 Audit Committee</p> <p><a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p> <p>Ref: pg 6 &gt; AREIT Audit Committee Charter &gt; 3. Roles and Responsibilities &gt; 3.3 Independent Audit &gt; item a</p> <p><a href="https://areit.com.ph/media/pages/governance/board-committees/9a85ec2629-1624863032/areit-charter-of-the-audit-committee-24feb21.pdf">https://areit.com.ph/media/pages/governance/board-committees/9a85ec2629-1624863032/areit-charter-of-the-audit-committee-24feb21.pdf</a></p>	
<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.</p>	

		<p><b>AREIT's Audit Committee is composed of a majority of independent directors including the Chairman.</b></p> <p>Ref: pg 53 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance &gt; Board Committees &gt; Table on Committee Memberships  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p>Ref: pg 53 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance &gt; Board Committees &gt; Audit Committee  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></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>	Compliant	<p>Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.</p> <p><b>All the members of AREIT's Audit Committee have the background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</b></p> <p>Ref: pg 20 to 21 &gt; AREIT 2020 Integrated Report &gt; Board of Directors &gt; Profiles of Augusto D. Bengzon, Omar T. Cruz, and Enrico S. Cruz  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	

		<p><a href="#"><u>1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</u></a></p> <p><i>Ref: pg 49 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance &gt; Board Matters &gt; Table on 2020 AREIT Board of Directors Expertise</i></p> <p><a href="#"><u>https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</u></a></p>	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	<p>Provide information or link/reference to a document containing information on the Chairman of the Audit Committee</p> <p><b><i>The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</i></b></p> <p><i>Ref: pg 3, Results of the 2020 Annual Stockholders' Meeting and Organizational Board Meeting, 23 April 2020 &gt; AREIT Website &gt; Disclosures &gt; PSE Disclosures &gt; Results of the Annual Stockholders' Meeting and Organizational Board Meeting</i></p> <p><a href="#"><u>https://areit.com.ph/media/pages/company-disclosures/disclosures/pse/bd55373f8c-1619512246/disclosure-2021-04-23-results-of-the-2021-asm-and-org.-bod-april-23-2021.pdf</u></a></p> <p><i>Ref: pg 53 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance and Risk Management &gt; Board Committees &gt; Table on Committee Memberships</i></p>	

		<a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a>  Ref: pg 5 > Audit Committee Charter > 4. Membership > item d <a href="https://areit.com.ph/media/pages/governance/board-committees/9a85ec2629-1624863032/areit-charter-of-the-audit-committee-24feb21.pdf">https://areit.com.ph/media/pages/governance/board-committees/9a85ec2629-1624863032/areit-charter-of-the-audit-committee-24feb21.pdf</a>	
<b>Supplement to Recommendation 3.2</b>			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.  <b><i>AREIT's Audit Committee approved all non-audit services conducted by the external auditor.</i></b> Ref: pg 53 to 54 > AREIT 2020 Integrated Report > Corporate Governance and Risk Management > Board Committees > Audit Committee <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a>	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.  <b><i>The Committee met with the external auditors without the presences of the</i></b>	

		<p><b>management team to discuss issues or concern</b></p> <p>Ref: pg 54 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance and Risk Management &gt; Board Committees &gt; Audit Committee</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
<b>Optional: Recommendation 3.2</b>			
1. Audit Committee meet at least four times during the year.	Compliant	<p>Indicate the number of Audit Committee meetings during the year and provide proof</p> <p><b>AREIT's Audit Committee held four meetings in 2020.</b></p> <p>Ref: pg 51 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance and Risk Management &gt; Board of Directors &gt; Board Meetings Attendance 2020</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
2. Audit Committee approves the appointment and removal of the internal auditor.	Compliant	<p>Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.</p> <p><b>AREIT's Audit Committee approves the appoint and removal of the internal auditor.</b></p> <p>Ref: pg 29 &gt; AREIT CG Manual &gt; Article II. Governance Structure &gt; 2. Board</p>	

		<p>Committees &gt; 2.4 Audit Committee &gt; Internal Audit &gt; Item b  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p> <p>Ref: pg 3 &gt; AREIT Charter of the Audit Committee &gt; 3. Roles and Responsibilities &gt; 3.1 Internal Audit &gt; item b  <a href="https://areit.com.ph/media/pages/governance/board-committees/9a85ec2629-1624863032/areit-charter-of-the-audit-committee-24feb21.pdf">https://areit.com.ph/media/pages/governance/board-committees/9a85ec2629-1624863032/areit-charter-of-the-audit-committee-24feb21.pdf</a></p>	
<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>	Compliant	<p>Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions</p> <p>Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.</p> <p><b>On May 26, 2021, AREIT's Board approved the Charter of the Corporate Governance and Nomination Committee to comply with the Code of Corporate Governance for Publicly-Listed Companies.</b></p> <p>Ref: AREIT Website &gt; Governance &gt; Board Committees &gt; Corporate Governance and Nomination Committee  <a href="https://areit.com.ph/media/pages/governance/board-committees/174f2c9997-">https://areit.com.ph/media/pages/governance/board-committees/174f2c9997-</a></p>	

[1624861165/areit-charter-of-the-corporate-governance-and-nomination-committee-26may21.pdf](#)

Ref: pg 54> AREIT 2020 Integrated Report > Corporate Governance and Nomination Committee

[https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf](#)

**AREIT's Board established a Corporate Governance and Nomination Committee.**

Ref: pg 25 to 27 > AREIT CG Manual > Article II Governance > 2. Board Committees > 2.2 Corporate Governance and Nomination Committee

[https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf](#)

Ref: pg 3 > Results of the 2020 Annual Stockholders' Meeting and Organizational Board Meeting, 23 April 2020 > AREIT Website > Disclosures > PSE Disclosures > Results of the Annual Stockholders' Meeting and Organizational Board Meeting

[https://areit.com.ph/media/pages/company-disclosures/disclosures/pse/bd55373f8c-1619512246/disclosure-2021-04-23-results-of-the-2021-asm-and-org.-bod-april-23-2021.pdf](#)

<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.</p> <p><b><i>AREIT's Corporate Governance and Nomination Committee is composed of independent directors.</i></b>  <i>Ref: pg 25 to 27 &gt; AREIT CG Manual &gt; Article II Governance &gt; 2. Board Committees &gt; 2.2 Corporate Governance and Nomination Committee</i>  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p> <p><i>Ref: pg 3 &gt; Results of the 2020 Annual Stockholders' Meeting and Organizational Board Meeting, 23 April 2020 &gt; AREIT Website &gt; Disclosures &gt; PSE Disclosures &gt; Results of the Annual Stockholders' Meeting and Organizational Board Meeting</i>  <a href="https://areit.com.ph/media/pages/company-disclosures/disclosures/pse/bd55373f8c-1619512246/disclosure-2021-04-23-results-of-the-2021-asm-and-org.-bod-april-23-2021.pdf">https://areit.com.ph/media/pages/company-disclosures/disclosures/pse/bd55373f8c-1619512246/disclosure-2021-04-23-results-of-the-2021-asm-and-org.-bod-april-23-2021.pdf</a></p> <p><i>Ref: pg 53 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance &gt; Board Committees &gt; Table on Committee Memberships</i>  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-</a></p>	
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		<p><a href="#">1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p>Ref: pg 54 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance &gt; Board Committees Corporate Governance and Nomination Committee</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p>Ref: pg 49 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance &gt; Board Matters &gt; AREIT Board of Directors 2020 Table of Expertise</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	<p>Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.</p> <p><b><i>The Chairman of AREIT's Corporate Governance and Nomination Committee is an independent director.</i></b></p> <p>Ref: pg 53 &gt; AREIT CG Manual &gt; Article II Governance &gt; 2. Board Committees &gt; Board Committee Membership Table</p> <p><a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p>	

		<p>Ref: pg 54 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance &gt; Board Committees Corporate Governance and Nomination Committee</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p>Ref: pg 3 &gt; Results of the 2020 Annual Stockholders' Meeting and Organizational Board Meeting, 23 April 2020 &gt; AREIT Website &gt; Disclosures &gt; PSE Disclosures &gt; Results of the Annual Stockholders' Meeting and Organizational Board Meeting</p> <p><a href="https://areit.com.ph/media/pages/company-disclosures/disclosures/pse/bd55373f8c-1619512246/disclosure-2021-04-23-results-of-the-2021-asm-and-org.-bod-april-23-2021.pdf">https://areit.com.ph/media/pages/company-disclosures/disclosures/pse/bd55373f8c-1619512246/disclosure-2021-04-23-results-of-the-2021-asm-and-org.-bod-april-23-2021.pdf</a></p>	
<b>Optional: Recommendation 3.3.</b>			
1. Corporate Governance Committee meet at least twice during the year.	Compliant	<p>Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.</p> <p><b><i>The Corporate Governance and Nomination Committee held three meetings in 2020.</i></b></p> <p>Ref: pg 51 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance &gt; Board Matters &gt; Board Meetings Attendance 2020</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	

Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	<p>Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions</p> <p><b><i>AREIT's Board established a Board Risk Oversight Committee.</i></b>  Ref: pg 32 to 33 &gt; AREIT CG Manual &gt; Article II Governance &gt; 2. Board Committees &gt; 2.5 Risk Oversight Committee  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p> <p>Ref: pg 54 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance &gt; Board Committees &gt; Risk Oversight Committee  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p>Ref: pg 3 &gt; Results of the 2020 Annual Stockholders' Meeting and Organizational Board Meeting, 23 April 2020 &gt; AREIT Website &gt; Disclosures &gt; PSE Disclosures &gt; Results of the Annual Stockholders' Meeting and Organizational Board Meeting  <a href="https://areit.com.ph/media/pages/company-disclosures/disclosures/pse/bd55373f8c-1619512246/disclosure-2021-04-23-results-of-the-2021-asm-and-org.-bod-april-23-2021.pdf">https://areit.com.ph/media/pages/company-disclosures/disclosures/pse/bd55373f8c-1619512246/disclosure-2021-04-23-results-of-the-2021-asm-and-org.-bod-april-23-2021.pdf</a></p>	

<p>2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship</p> <p><b><i>AREIT's Board Risk Oversight Committee is composed of a majority of independent directors, including the Chairman.</i></b>  Ref: pg 54 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance &gt; Board Committees &gt; Board Risk Oversight Committee  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p>Ref: pg 49 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance &gt; Board Matters &gt; AREIT Board of Directors 2020 Table of Expertise  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p>Ref: pg 53 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance &gt; Board Committees &gt; Board Committee Membership Table  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
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		<p>Ref: pg 32 to 33 &gt; AREIT CG Manual &gt; Article II Governance &gt; 2. Board Committees &gt; 2.5 Board Risk Oversight Committee  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p> <p>Ref: pg 3 &gt; Results of the 2020 Annual Stockholders' Meeting and Organizational Board Meeting, 23 April 2020 &gt; AREIT Website &gt; Disclosures &gt; PSE Disclosures &gt; Results of the Annual Stockholders' Meeting and Organizational Board Meeting  <a href="https://areit.com.ph/media/pages/company-disclosures/disclosures/pse/bd55373f8c-1619512246/disclosure-2021-04-23-results-of-the-2021-asm-and-org.-bod-april-23-2021.pdf">https://areit.com.ph/media/pages/company-disclosures/disclosures/pse/bd55373f8c-1619512246/disclosure-2021-04-23-results-of-the-2021-asm-and-org.-bod-april-23-2021.pdf</a></p>	
3. The Chairman of the BROOC is not the Chairman of the Board or of any other committee.	Compliant	<p>Provide information or link/reference to a document containing information on the Chairman of the BROOC</p> <p><b><i>The Chairman of AREIT's BROOC is not the Chairman of the Board or any other committee.</i></b></p> <p>Ref: pg 32 to 33 &gt; AREIT CG Manual &gt; Article II Governance &gt; 2. Board Committees &gt; 2.5 Board Risk Oversight Committee  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p>	

		<p>Ref: pg 3 &gt; Results of the 2020 Annual Stockholders' Meeting and Organizational Board Meeting, 23 April 2020 &gt; AREIT Website &gt; Disclosures &gt; PSE Disclosures &gt; Results of the Annual Stockholders' Meeting and Organizational Board Meeting</p> <p><a href="https://areit.com.ph/media/pages/company-disclosures/disclosures/pse/bd55373f8c-1619512246/disclosure-2021-04-23-results-of-the-2021-asm-and-org.-bod-april-23-2021.pdf">https://areit.com.ph/media/pages/company-disclosures/disclosures/pse/bd55373f8c-1619512246/disclosure-2021-04-23-results-of-the-2021-asm-and-org.-bod-april-23-2021.pdf</a></p>	
<p>4. At least one member of the BROc has relevant thorough knowledge and experience on risk and risk management.</p>	Compliant	<p>Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROc.</p> <p><b>At least one member of AREIT's BROc has relevant thorough knowledge and experience on risk and risk management.</b></p> <p>Ref: pg 20 to 21 &gt; AREIT 2020 Integrated Report &gt; Board of Directors &gt; Profiles of Augusto D. Bengzon, Omar T. Cruz, and Enrico S. Cruz</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p>Ref: pg 49 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance &gt; Board Matters &gt; AREIT Board of Directors 2020 Table of Expertise</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	

		<a href="#">1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a>	
<b>Recommendation 3.5</b>			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	<p>Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.</p> <p><b><i>AREIT's Board established a Related Party Transactions Review Committee.</i></b>  <i>Ref: pg 34 &gt; AREIT CG Manual &gt; Article II Governance &gt; 2. Board Committees &gt; 2.6 Related Party Transactions Review Committee</i>  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p> <p><i>Ref: pg 55 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance &gt; Board Committees&gt; Related Party Transactions Review Committee</i>  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant	<p>Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.</p>	

**AREIT's RPT Review Committee is composed of three non-executive, independent directors.**

Ref: pg 34 > AREIT CG Manual > Article II Governance > 2. Board Committees > 2.6 Related Party Transactions Review Committee

<https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf>

Ref: pg 3 > Results of the 2020 Annual Stockholders' Meeting and Organizational Board Meeting, 23 April 2020 > AREIT Website > Disclosures > PSE Disclosures > Results of the Annual Stockholders' Meeting and Organizational Board Meeting

<https://areit.com.ph/media/pages/company-disclosures/disclosures/pse/bd55373f8c-1619512246/disclosure-2021-04-23-results-of-the-2021-asm-and-org.-bod-april-23-2021.pdf>

Ref: pg 49 > AREIT 2020 Integrated Report > Corporate Governance > Board Matters > AREIT Board of Directors 2020 Table of Expertise

<https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf>

Ref: pg 55 > AREIT 2020 Integrated Report > Corporate Governance > Board Committees>

		<p><i>Related Party Transactions Review Committee</i></p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
<b>Recommendation 3.6</b>			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Non-Compliant	<p>Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.</p>	<b><i>AREIT's Executive Committee, Board Risk Oversight Committee, Personnel and Compensation Committee, and Sustainability Committee have yet to adopt their charters</i></b>
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant	<p><b><i>AREIT's Board, Corporate Governance and Nomination Committee, Audit Committee, and Related Party Transactions Committee have adopted charters that provide standards for evaluating the performance of the committee and are fully disclosed in the AREIT website.</i></b></p> <p>Ref: AREIT Website &gt; Governance &gt; Board Committees</p> <p><a href="https://areit.com.ph/governance/board-committees">https://areit.com.ph/governance/board-committees</a></p> <p><i>AREIT Board Charter (pg 10)</i></p> <p><a href="https://areit.com.ph/media/pages/our-company/board-of-directors-management-team-and-executive-officers/60ff1f1a5e-1624861985/areit-charter-of-the-board-of-directors-26may21.pdf">https://areit.com.ph/media/pages/our-company/board-of-directors-management-team-and-executive-officers/60ff1f1a5e-1624861985/areit-charter-of-the-board-of-directors-26may21.pdf</a></p> <p><i>AREIT Audit Committee Charter (pg 6)</i></p>	

		<a href="https://areit.com.ph/media/pages/governance/board-committees/9a85ec2629-1624863032/areit-charter-of-the-audit-committee-24feb21.pdf">https://areit.com.ph/media/pages/governance/board-committees/9a85ec2629-1624863032/areit-charter-of-the-audit-committee-24feb21.pdf</a>  AREIT Corporate Governance and Nomination Committee Charter (pg 6) <a href="https://areit.com.ph/media/pages/governance/board-committees/174f2c9997-1624861165/areit-charter-of-the-corporate-governance-and-nomination-committee-26may21.pdf">https://areit.com.ph/media/pages/governance/board-committees/174f2c9997-1624861165/areit-charter-of-the-corporate-governance-and-nomination-committee-26may21.pdf</a>  AREIT Related Party Transactions Review Committee Charter (pg 2) <a href="https://areit.com.ph/media/pages/governance/board-committees/e79a9eb7e2-1624931654/areit-charter-of-the-related-party-transactions-review-committee-16mar21.pdf">https://areit.com.ph/media/pages/governance/board-committees/e79a9eb7e2-1624931654/areit-charter-of-the-related-party-transactions-review-committee-16mar21.pdf</a>	
3. Committee Charters were fully disclosed on the company's website.	Compliant	Provide link to company's website where the Committee Charters are disclosed.  <b><i>The adopted charters of the committees are disclosed on the company's website. See above response for Recommendation 3.6, items 1-2.</i></b>	
<b>Principle 4:</b> To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.			
<b>Recommendation 4.1</b>			
1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-	Compliant	Provide information or link/reference to a document containing information on the process and procedure for	

<p>/videoconferencing conducted in accordance with the rules and regulations of the Commission.</p>		<p>tele/videoconferencing board and/or committee meetings.</p> <p>Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.</p> <p><b><i>AREIT's Board of Directors attend and actively participate in all meetings, in person or through tele/videoconferencing conducted in accordance with the rules and regulations of the SEC.</i></b></p> <p>Ref: pg 51 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance &gt; Board Matters &gt; Board Meetings Attendance 2020  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p>Ref: pg 15 &gt; AREIT CG Manual &gt; Article II Governance &gt; 1. The Board of Directors &gt; 1.9 Board Meetings and Quorum Requirements  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p> <p>Ref: pg 8 &gt; Charter of the Board of Directors&gt; 5. Resolutions and Actions&gt; 5.1 Meetings, Quorum and Actions  <a href="https://areit.com.ph/media/pages/our-company/board-of-directors-management-team-and-executive-officers/60ff1f1a5e-">https://areit.com.ph/media/pages/our-company/board-of-directors-management-team-and-executive-officers/60ff1f1a5e-</a></p>	
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		<a href="#">1624861985/areit-charter-of-the-board-of-directors-26may21.pdf</a>	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	<p><b>Board materials are distributed to AREIT's Board of Directors at least five business days to give the directors ample time to review the meeting materials prior to the meeting date.</b></p> <p>Ref: pg 51 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance &gt; Board Matters &gt; Meetings and Attendance  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p>Ref: pg 8&gt; Charter of the Board of Directors&gt; 5. Resolutions and Actions&gt; 5.1 Meetings, Quorum and Actions&gt; Item d.  <a href="https://areit.com.ph/media/pages/our-company/board-of-directors-management-team-and-executive-officers/60ff1f1a5e-1624861985/areit-charter-of-the-board-of-directors-26may21.pdf">https://areit.com.ph/media/pages/our-company/board-of-directors-management-team-and-executive-officers/60ff1f1a5e-1624861985/areit-charter-of-the-board-of-directors-26may21.pdf</a></p>	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	<p>Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors</p> <p><b>Board of Directors act judiciously before deciding on any matter by evaluating the issues, asking relevant questions and seeking clarifications as appropriate.</b></p>	

		<p>Ref: pg 22 &gt; AREIT CG Manual &gt; Article II Governance &gt; Item 1.13 Specific Responsibilities of each Director &gt; Item e.</p> <p><a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p>	
<b>Recommendation 4.2</b>			
<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>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</p> <p>Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies</p> <p><b>AREIT has a policy on multiple board seats indicating that no independent director shall hold no more than five board seats in any group of PLCs and executive directors shall hold no more than two board seats in listed companies outside the AREIT group.</b></p> <p>Ref: pg 15 &gt; AREIT CG Manual &gt; Article II Governance &gt; 1. The Board of Directors &gt; 1.8 Policy on multiple board seats</p> <p><a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p> <p>Ref: pg 18 to 21 &gt; AREIT 2020 Integrated Report &gt; Board of Directors Profiles</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-</a></p>	

		<a href="#">1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a>  Ref: pg 2 > Charter of the Board of Directors > 2. Membership > 2.2 Policy on Multiple Board Seats <a href="https://areit.com.ph/media/pages/our-company/board-of-directors-management-team-and-executive-officers/60ff1f1a5e-1624861985/areit-charter-of-the-board-of-directors-26may21.pdf">https://areit.com.ph/media/pages/our-company/board-of-directors-management-team-and-executive-officers/60ff1f1a5e-1624861985/areit-charter-of-the-board-of-directors-26may21.pdf</a>	
<b>Recommendation 4.3</b>			
1. The directors notify the company's board before accepting a directorship in another company.	Compliant	Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.  <i><b>In the AREIT CG Manual, all directors are required to notify the Board before accepting a directorship in another company.</b></i> Ref: pg 23 > AREIT CG Manual > Article II Governance > 1. The Board of Directors > 1.13 Specific responsibilities of each director > item m. <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a>	
<b>Optional: Principle 4</b>			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	Compliant	<i><b>The Chairman, Jose Emmanuel H. Jalandoni, President and CEO, Ms. Carol T. Mills, and Treasurer-Director, Mr. Augusto D. Bengzon does not serve in more than</b></i>	

		<p><b>two boards of listed companies outside of the group.</b></p> <p>Ref: pg 18 to 20 &gt; AREIT 2020 Integrated Report &gt; Board Profiles</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
2. Company schedules board of directors' meetings before the start of the financial year.	Compliant	<p><b>AREIT schedules the Board of Directors' meetings before the start of the financial year and are held at least once every quarter.</b></p> <p>Ref: pg 51 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance &gt; Board Matters &gt; Meetings and Attendance</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
3. Board of directors meet at least six times during the year.	Compliant	<p>Indicate the number of board meetings during the year and provide proof</p> <p><b>The Board held nine meetings in 2020.</b></p> <p>Ref: pg 51 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance &gt; Board Matters &gt; Board Meetings Attendance 2020</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
4. Company requires as minimum quorum of at least 2/3 for board decisions.	Non-Compliant	Indicate the required minimum quorum for board decisions	<b>AREIT requires majority of the number of directors as fixed in the Articles of Incorporation to constitute a quorum. AREIT shall amend its</b>

		<p><b>Two-thirds (2/3) of the number of AREIT directors shall constitute a quorum.</b></p>	<p><b>Corporate Governance Manual to adopt a quorum of two-thirds of the number of AREIT directors in compliance with the Corporate Governance Manual for Publicly-Listed Companies</b></p> <p>Ref: pg 8 &gt; AREIT CG Manual &gt; Article II Governance &gt; 1. The Board of Directors &gt; 1.9 Board Meetings and Quorum Requirements  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p>
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**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>Provide information or link/reference to a document containing information on the number of independent directors in the board</p> <p><b>The Board has 3 independent directors, constituting one-third (1/3) of its composition.</b></p> <p>Ref: pg 2 &gt; Results of the 2020 Annual Stockholders' Meeting and Organizational Board Meeting, 23 April 2020 &gt; AREIT Website &gt; Disclosures &gt; PSE Disclosures &gt; Results of the Annual Stockholders' Meeting and Organizational Board Meeting Item 8. Election of Directors  <a href="https://areit.com.ph/media/pages/company-disclosures/disclosures/pse/bd55373f8c-1619512246/disclosure-2021-04-23-results-">https://areit.com.ph/media/pages/company-disclosures/disclosures/pse/bd55373f8c-1619512246/disclosure-2021-04-23-results-</a></p>	
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		<p><a href="#">of-the-2021-asm-and-org.-bod-april-23-2021.pdf</a></p> <p>Ref: pg 49 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance &gt; Board Matters &gt; AREIT Board of Directors 2020 Table  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
<b>Recommendation 5.2</b>			
<p>1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.</p>	Compliant	<p>Provide information or link/reference to a document containing information on the qualifications of the independent directors.</p> <p><b><i>AREIT's independent directors possess all the qualifications and none of the disqualifications to hold the position.</i></b>  Ref: pg 20 to 21 &gt; AREIT 2020 Integrated Report &gt; Our Leaders &gt; Board Profiles  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p>Ref: pg 41 to 46 &gt; 2020 Definitive Information Statement &gt; AREIT Website &gt; Investor Relations &gt; Annual and Special Stockholders' Meetings &gt; Information Statements (SEC Form 20-IS) &gt; Certification of Independent Directors  <a href="https://areit.com.ph/media/pages/investor-relations/investor-relations-program/68cc9e9319-1617613753/sec-">https://areit.com.ph/media/pages/investor-relations/investor-relations-program/68cc9e9319-1617613753/sec-</a></p>	

		<a href="#">form-20-dis-2021-annual-stockholders-meeting.pdf</a>	
<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	<p>Provide link/reference to a document containing information that directors are not constrained to vote independently.</p> <p><b><i>AREIT has a governance policy on conflict of interest to ensure that the personal interest of directors and officers should never prevail over the interest of the company, so that they may not directly or indirectly derive any personal profit or advantage by reason of their position in the company and must promote the common interest of all shareholders and the company without regard to their own personal and selfish interests.</i></b></p> <p>Ref: pg 46 to 47 &gt; AREIT CG Manual &gt; Article IV Governance Policy on Conflict of Interest  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p>	
<b>Recommendation 5.3</b>			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	<p>Provide information or link/reference to a document showing the years IDs have served as such.</p> <p><b><i>AREIT's independent directors serve for a cumulative term of nine years.</i></b></p> <p>Ref: pg 48 to 49 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance &gt; Board</p>	

		<p>Matters &gt; Independent Directors; AREIT Board of Directors 2020  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p><b>An independent director, after serving nine years, shall be perpetually barred from being elected as such in the company, without prejudice to being elected as independent director in other companies outside of the business conglomerate, where applicable, under the same conditions provided for in the rules and regulations of the SEC.</b>  Ref: pg 10 &gt; AREIT CG Manual &gt; Article II Governance &gt; 1. The Board of Directors &gt; 1.5 Disqualifications &gt; Item j.  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p> <p><b>AREIT's independent directors may serve for a period of not more than nine years.</b>  Ref: pg 9 &gt; AREIT CG Manual &gt; Article II Governance &gt; 1. The Board of Directors &gt; 1.7 Independent Directors  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p>	
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<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director</p> <p><b><i>An independent director, after serving nine years, shall be perpetually barred from being elected as such in the company, without prejudice to being elected as independent director in other companies outside of the business conglomerate, where applicable, under the same conditions provided for in the rules and regulations of the SEC.</i></b></p> <p>Ref: pg 10 &gt; AREIT CG Manual &gt; Article II Governance &gt; 1. The Board of Directors &gt; 1.5 Disqualifications &gt; Item J</p> <p><a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p>	
<p>3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.</p>	<p>Compliant</p>	<p>Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.</p> <p><b><i>AREIT's CG Manual only allows for independent directors to serve a maximum term of nine years. In the event that an independent director shall be retained beyond this, AREIT's Board will have to provide meritorious justification and seek shareholders' approval during the ASM.</i></b></p>	

		<p>Ref: pg 10 &gt; AREIT CG Manual &gt; Article II Governance &gt; 1. The Board of Directors &gt; 1.7 Independent Directors &gt; Item J</p> <p><a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p>	
<b>Recommendation 5.4</b>			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	<p>Identify the company's Chairman of the Board and Chief Executive Officer</p> <p><b>AREIT's Chairman of the Board and Chief Executive Officer are held by separate individuals.</b></p> <p>Ref: pg 47 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance and Risk Management &gt; Governance Structure &gt; The Chairman, and President and CEO</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p>Ref: pg 49 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance &gt; Board Matters &gt; AREIT Board of Directors 2020 Table</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p>Ref: pg 4 &gt; AREIT Website &gt; Disclosures &gt; PSE Disclosures &gt; Results of the Annual Stockholders' Meeting and Organizational Board Meeting</p>	

		<a href="https://areit.com.ph/media/pages/company-disclosures/disclosures/pse/bd55373f8c-1619512246/disclosure-2021-04-23-results-of-the-2021-asm-and-org.-bod-april-23-2021.pdf">https://areit.com.ph/media/pages/company-disclosures/disclosures/pse/bd55373f8c-1619512246/disclosure-2021-04-23-results-of-the-2021-asm-and-org.-bod-april-23-2021.pdf</a>	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	<p>Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer.</p> <p>Identify the relationship of Chairman and CEO.</p> <p><b>AREIT's Chairman of the Board and CEO have clearly defined responsibilities.</b>  Ref: pg 38 to 40 &gt; AREIT CG Manual &gt; Article III Management &gt; 3. Roles of the executive officers of the corporation &gt; 3.1 Chairman of the Board and 3.3 President and Chief Executive Officer  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p> <p>Ref: pg 47 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance and Risk Management &gt; Governance Structure &gt; The Chairman, and President and CEO  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	

#### Recommendation 5.5

<p>1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any.</p> <p>Indicate if Chairman is independent.</p> <p><b><i>Even prior to its registration as a real estate investment trust (REIT) company, AREIT already appointed Mr. Omar T. Cruz as lead independent director</i></b></p> <p>Ref: pg 337 &gt; AREIT REIT Plan &gt; AREIT Website &gt; Investor Relations &gt; REIT Offering  <a href="https://areit.com.ph/media/pages/investor-relations/initial-public-offering/bbce442fff-1614881628/final-reit-plan-24-jul-2020.pdf">https://areit.com.ph/media/pages/investor-relations/initial-public-offering/bbce442fff-1614881628/final-reit-plan-24-jul-2020.pdf</a></p> <p>Ref: pg 48 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance and Risk Management &gt; Board Matters&gt; Independent Directors  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p><b><i>On 23 April 2020, Mr. Omar T. Cruz was appointed as lead independent director.</i></b></p> <p>Ref: pg 2 &gt; Results of the 2020 Annual Stockholders' Meeting and Organizational Board Meeting, 23 April 2020 &gt; AREIT Website &gt; Disclosures &gt; PSE Disclosures &gt; Results of the Annual Stockholders' Meeting and Organizational Board Meeting Item 8. Election of Directors</p>	
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<b>Recommendation 5.6</b>			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	Provide proof of abstention, if this was the case  <b><i>There have been no cases of directors with material interest in a transaction affecting the company and AREIT's directors and key management personnel are required to abstain and/or inhibit themselves from participating in discussions on a particular agenda item where they are conflicted.</i></b> Ref: pg 52 > AREIT 2020 Integrated Report > Corporate Governance > Board Committees> Disclosure of Conflict of Interest <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a>	

		<p><b>AREIT has a governance policy on conflict of interest to ensure that the personal interest of directors and officers should never prevail over the interest of the company, so that they may not directly or indirectly derive any personal profit or advantage by reason of their position in the company and must promote the common interest of all shareholders and the company without regard to their own personal and selfish interests.</b></p> <p>Ref: pg 46 to 47 &gt; AREIT CG Manual &gt; Article IV Governance Policy on Conflict of Interest  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p>	
<b>Recommendation 5.7</b>			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	Compliant	<p>Provide proof and details of said meeting, if any.</p> <p>Provide information on the frequency and attendees of meetings.</p>	
2. The meetings are chaired by the lead independent director.	Compliant	<p><b>AREIT's Board Charter provides that NEDs shall hold meetings semi-annually without the presence of executive directors, external auditor and/or heads of internal audit, compliance and risk units, which meetings shall be chaired by the lead independent director.</b></p> <p>Ref: pg 15 to 16 &gt; AREIT CG Manual &gt; Article II Governance &gt; 1. The Board of Directors &gt; 1.9 Board Meetings and Quorum Requirements &gt; item c</p>	

		<a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a>	
<b>Optional: Principle 5</b>			
1. None of the directors is a former CEO of the company in the past 2 years.	Compliant	Provide name/s of company CEO for the past 2 years  <i>Mr. Jose Emmanuel H. Jalandoni, current Chairman of the Board, was the CEO of AREIT prior to its registration and listing as a REIT Company. Ms. Carol T. Mills, the current President and CEO was appointed last February 5, 2020.</i>	
<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.	Non-Compliant	Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees	<b><i>AREIT's CG Manual provides that the Board, the Chairman, individual members, and each committee shall conduct a self-assessment. The Board however, has yet to conduct such self-assessment from its listing last August 2020 to present. The CG Manual likewise provides that the Board will engage an external facilitator to conduct the process every three years.</i></b> Ref: pg 17 > AREIT CG Manual > Article II Governance > 1. The Board of Directors > 1.11 Board Self-Assessment
2. The Chairman conducts a self-assessment of his performance.	Non-Compliant		
3. The individual members conduct a self-assessment of their performance.	Non-Compliant		
4. Each committee conducts a self-assessment of its performance.	Non-Compliant		
5. Every three years, the assessments are supported by an external facilitator.	Non-Compliant	Identify the external facilitator and provide proof of use of an external facilitator.	<a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a>

## Recommendation 6.2

<p>1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.</p>	<p>Non-Compliant</p>	<p>Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders</p>	<p><b>AREIT's CG Manual provides that the Board should have a performance appraisal system that determines the performance of the Board, individual directors, and each committee, which includes the self-assessment exercise.</b>  Ref: pg 10 &gt; AREIT CG Manual &gt; Article II Governance &gt; 1. The Board of Directors &gt; 1.11 Board Self-Assessment; 1.12 Specific Duties of the Board of Directors  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p>
<p>2. The system allows for a feedback mechanism from the shareholders.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders  <b>AREIT's Board allows for a feedback mechanism from shareholders during the Q&amp;A session of the Annual Stockholders' Meeting.</b>  Ref: pg 11 &gt; Minutes of the 2020 Annual Stockholders' Meeting &gt; AREIT Website &gt; Disclosures &gt; Minutes of All General and Special Stockholders Meetings &gt; Minutes of the 2021 Annual Stockholders Meeting &gt; item 14. Other Matters  <a href="https://areit.com.ph/media/pages/company-disclosures/minutes-of-all-general-and-special-stockholders-meetings/45e48ac61a-1619687295/areit-mins-2021-asm-fin.pdf">https://areit.com.ph/media/pages/company-disclosures/minutes-of-all-general-and-special-stockholders-meetings/45e48ac61a-1619687295/areit-mins-2021-asm-fin.pdf</a></p>	

		<p><b>AREIT has a Contact Us section and published the emails of the respective contact persons on the website for shareholders and the public.</b></p> <p>AREIT Website &gt; Contact Us link on Header  <a href="https://areit.com.ph/contact-us/inquire">https://areit.com.ph/contact-us/inquire</a></p>	
<b>Principle 7:</b> Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
<b>Recommendation 7.1</b>			
<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>	Non-Compliant	<p>Provide information on or link/reference to the company's Code of Business Conduct and Ethics.</p>	<p><b>AREIT has yet to adopt its Code of Conduct and Ethics. As an affiliate of ALI, it adheres to and is covered by the Code of Conduct and Ethics of ALI.</b></p> <p>Ref: Code of Conduct and Ethics &gt; IR Website &gt; Corporate Governance  <a href="https://ir.ayalaland.com.ph/corporate-governance/code-of-conduct-and-ethics/">https://ir.ayalaland.com.ph/corporate-governance/code-of-conduct-and-ethics/</a></p>
<p>2. The Code is properly disseminated to the Board, senior management and employees.</p>	Non-Compliant	<p>Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.</p>	<p><b>ALI's Code of Conduct and Ethics is properly disseminated to its Board, senior management, and employees, including those seconded to AREIT.</b></p> <p>Ref: Code of Conduct and Ethics &gt; IR Website &gt; Corporate Governance  <a href="https://ir.ayalaland.com.ph/corporate-governance/code-of-conduct-and-ethics/">https://ir.ayalaland.com.ph/corporate-governance/code-of-conduct-and-ethics/</a></p>
<p>3. The Code is disclosed and made available to the public through the company website.</p>	Non-Compliant	<p>Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed.</p>	<p><b>ALI's Code of Ethical Behavior is available to the public through the company website.</b></p> <p>Ref: ALI Code of Ethical Behavior &gt; Code of Conduct and Ethics &gt; IR Website &gt; Corporate Governance  <a href="https://ir.ayalaland.com.ph/wp-content/uploads/2016/01/File_72_Code-of-Ethical-Behavior.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2016/01/File_72_Code-of-Ethical-Behavior.pdf</a></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>Provide information on or link/reference to a document containing information on the company's policy and procedure on curbing and penalizing bribery</p> <p><b>AREIT has an Anti-Corruption Program.</b>  Ref: pg 59 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance &gt; Policies and Practices &gt; Anti-Corruption Programs and Procedures  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></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	<p>Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.</p>	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	<p>Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.</p> <p><b>AREIT's Board ensures the proper and efficient implementation and monitoring of compliance with its Code of Ethical Behavior and internal policies.</b>  Ref: pg 59 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance &gt; Policies and Practices &gt; Anti-Corruption Programs and Procedures  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	

		<p><a href="#">1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p>Ref: pg 43 &gt; AREIT 2020 Integrated Report &gt; Ethical Behavior  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p><b>Duties and responsibilities of the Audit Committee</b></p> <p>Ref: pg 29 to 30&gt; AREIT CG Manual &gt; 2. Board Committees&gt; 2.4 Audit Committee&gt; items c &amp; n  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></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

1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Compliant	<p>Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders</p> <p><b>Management, through the Investor Relations function, shall be responsible for public and timely disclosure of all material information about the company.</b></p> <p>Ref: pg 52 to 53 &gt; AREIT CG Manual &gt; Article VI Communication and Information &gt; 1.</p>	
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		<p><i>Management's Responsibility for Information and 2. The Investor Relations Function</i></p> <p><a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p> <p><i>Ref: pg 7 &gt; AREIT Charter of the Board of Directors</i></p> <p><a href="https://areit.com.ph/media/pages/our-company/board-of-directors-management-team-and-executive-officers/60ff1f1a5e-1624861985/areit-charter-of-the-board-of-directors-26may21.pdf">https://areit.com.ph/media/pages/our-company/board-of-directors-management-team-and-executive-officers/60ff1f1a5e-1624861985/areit-charter-of-the-board-of-directors-26may21.pdf</a></p> <p><i>AREIT 2020 Integrated Report</i></p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p><i>Company Disclosures</i></p> <p><a href="https://www.areit.com.ph/company-disclosures/disclosures/sec">https://www.areit.com.ph/company-disclosures/disclosures/sec</a></p> <p><a href="https://www.areit.com.ph/company-disclosures/disclosures/pse">https://www.areit.com.ph/company-disclosures/disclosures/pse</a></p>	
<b>Supplement to Recommendations 8.1</b>			
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	Non-Compliant	Indicate the number of days within which the consolidated and interim reports were published, distributed or made available from the end of the fiscal year and end of the reporting period, respectively.	<p><b><i>For 2020 FS, AREIT was only able to publicly disclose its consolidated financial statement on April 15, 2021</i></b></p> <p><i>Ref: AREIT Audited Financial Statements as of year ended December 31, 2020 &gt; PSE Edge Website &gt;</i></p>

<p>forty-five (45) days from the end of the reporting period.</p>		<p><b>AREIT publicly discloses its interim quarterly reports are submitted within 45 days from the end of the reporting period. For 3Q 2020, interim quarterly report was submitted November 3, 2020, 34 days from end of reporting period.</b></p> <p>Ref: AREIT SEC 17Q 3Q 2020 &gt; PSE Edge Website &gt; AREIT &gt; Company Disclosures &gt; Quarterly Report November 3, 2020  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=edb8c02c9fd375540de8473cebbd6407">https://edge.pse.com.ph/openDiscViewer.do?edge_no=edb8c02c9fd375540de8473cebbd6407</a></p>	<p>AREIT &gt; Company Disclosures &gt; Annual Report April 15, 2021  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=d97038c678fb10da5d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=d97038c678fb10da5d542af6f1e997b9</a></p>
<p>2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p>	<p>Compliant</p>	<p>Provide link or reference to the company's annual report where the following are disclosed:</p> <ol style="list-style-type: none"> <li>1. principal risks to minority shareholders associated with the identity of the company's controlling shareholders;</li> <li>2. cross-holdings among company affiliates; and</li> <li>3. any imbalances between the controlling shareholders' voting power and overall equity position in the company.</li> </ol> <p><b>AREIT discloses the shareholdings of controlling shareholders.</b></p> <p>Ref: pg 9 &gt; AREIT SEC 17-A 2020 &gt; PSE Edge Website &gt; AREIT &gt; Company Disclosures &gt; Annual Report April 15, 2021  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=d97038c678fb10da5d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=d97038c678fb10da5d542af6f1e997b9</a></p>	

		<p><b>AREIT upholds and protects the rights of minority shareholders.</b></p> <p>Ref: pg 55 &gt; AREIT CG Manual &gt; Article VII Stockholders Rights and Protection of Minority Stockholders' Interests &gt; 1. Shareholder Rights &gt; 1.1 Voting Right</p> <p><a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p>	
<b>Recommendation 8.2</b>			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share.	
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>Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.</p> <p><b>All AREIT directors and officers are required to disclose/report any dealings in the company's shares within three business days.</b></p> <p>Ref: pg 59 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance &gt; Policies and Practices &gt; Anti-Corruption Programs and Procedures</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	

		<p><a href="#">Ref: pg 4 &gt; AREIT Charter of the Board &gt; 3. Board Independence and Conflict of Interest &gt; par. 3</a>  <a href="https://areit.com.ph/media/pages/our-company/board-of-directors-management-team-and-executive-officers/60ff1f1a5e-1624861985/areit-charter-of-the-board-of-directors-26may21.pdf">https://areit.com.ph/media/pages/our-company/board-of-directors-management-team-and-executive-officers/60ff1f1a5e-1624861985/areit-charter-of-the-board-of-directors-26may21.pdf</a></p> <p><b>Actual dealings of directors involving the corporation's shares</b>  Ref: AREIT Website &gt; Disclosures &gt; SEC Filings  <a href="https://areit.com.ph/company-disclosures/disclosures/sec">https://areit.com.ph/company-disclosures/disclosures/sec</a></p>	
<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	<p>Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders.</p> <p>Provide link or reference to the company's Conglomerate Map. <b>Does not apply to AREIT</b></p> <p><b>AREIT discloses the trading of the corporation's shares by directors, officers and controlling shareholders.</b>  Ref: AREIT Website &gt; Disclosures &gt; SEC Filings  <a href="https://areit.com.ph/company-disclosures/disclosures/sec">https://areit.com.ph/company-disclosures/disclosures/sec</a></p> <p><b>AREIT discloses the shareholdings of its directors, management and top 100 shareholders.</b></p>	

		<p>Ref: AREIT Top 100 Shareholders as of March 31, 2020 &gt; PSE Edge Website &gt; Company Disclosures &gt; List of Top 100 Stockholders  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=e2c1a4a0d83084225d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=e2c1a4a0d83084225d542af6f1e997b9</a></p> <p>Ref: General Information Sheet  <a href="https://areit.com.ph/media/pages/company-disclosures/disclosures/sec/19c4e2eaea-1623997388/areit-gis-2021-17jun21-2_compressed.pdf">https://areit.com.ph/media/pages/company-disclosures/disclosures/sec/19c4e2eaea-1623997388/areit-gis-2021-17jun21-2_compressed.pdf</a></p>	
<b>Recommendation 8.3</b>			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	<p>Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</p> <p><b>AREIT fully discloses the profile of its directors.</b></p> <p>Ref: pg 18 to 21 &gt; AREIT 2020 Integrated Report &gt; Board of Directors Profiles  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p>Ref: pg 49 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance &gt; Board Matters &gt; AREIT Board of Directors 2020 Table of Expertise  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-</a></p>	

		<p><a href="#">1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p>Ref: pg 52 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance &amp; Risk Mgt. &gt; Training and Continuous Education  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p>Ref: General Information Sheet  <a href="https://areit.com.ph/media/pages/company-disclosures/disclosures/sec/19c4e2eaea-1623997388/areit-gis-2021-17jun21-2_compressed.pdf">https://areit.com.ph/media/pages/company-disclosures/disclosures/sec/19c4e2eaea-1623997388/areit-gis-2021-17jun21-2_compressed.pdf</a></p> <p>Ref: pg 41 to 46 &gt; 2020 Definitive Information Statement &gt; AREIT Website &gt; Investor Relations &gt; Annual and Special Stockholders' Meetings &gt; Information Statements (SEC Form 20-IS) &gt; Certification of Independent Directors  <a href="https://areit.com.ph/media/pages/investor-relations/investor-relations-program/68cc9e9319-1617613753/sec-form-20-dis-2021-annual-stockholders-meeting.pdf">https://areit.com.ph/media/pages/investor-relations/investor-relations-program/68cc9e9319-1617613753/sec-form-20-dis-2021-annual-stockholders-meeting.pdf</a></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.	Compliant	Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.	

		<p><b>AREIT fully discloses the profile of its key executives.</b></p> <p>Ref: pg 30 to 34 &gt; 2020 Definitive Information Statement &gt; AREIT Website &gt; Investor Relations &gt; Annual and Special Stockholders' Meetings &gt; Information Statements (SEC Form 20-IS)</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/investor-relations-program/68cc9e9319-1617613753/sec-form-20-dis-2021-annual-stockholders-meeting.pdf">https://areit.com.ph/media/pages/investor-relations/investor-relations-program/68cc9e9319-1617613753/sec-form-20-dis-2021-annual-stockholders-meeting.pdf</a></p>	
<b>Recommendation 8.4</b>			
<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>	Compliant	<p>Disclose or provide link/reference to the company policy and practice for setting board remuneration</p> <p><b>AREIT provides a clear disclosure on Board remuneration.</b></p> <p>Ref: pg 52 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance and Risk Management &gt; Board Matters &gt; Remuneration</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p>Ref: pg 27 &gt; Corporate Governance Manual &gt; 2.3 Personnel and Compensation Committee&gt; Items a to c</p> <p><a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></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>Disclose or provide link/reference to the company policy and practice for determining executive remuneration</p> <p><b><i>AREIT has policies and procedures in place for setting executive remuneration.</i></b>  Ref: pg 27 to 29 &gt; AREIT CG Manual &gt; Article II Governance &gt; 2. Board Committees &gt; 2.3 Personnel and Compensation Committee &gt; items a-c.  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p> <p>Ref: pg 27 &gt; AREIT CG Manual&gt; 2.3 Personnel and Compensation Committee&gt; Items a to c  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p> <p>Ref: pg 43 &gt; AREIT 2020 Integrated Report&gt; Compensation and Rewards  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p>Ref: pg 52 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance and Risk Management &gt; Board Matters &gt; Remuneration  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-</a></p>	
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		<a href="#"><u>1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</u></a>	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	<p>Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.</p> <p><b>Board of Directors 2020 Gross Remuneration</b>  Ref: pg 52 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance and Risk Management &gt; Board Matters &gt; Remuneration  <a href="#"><u>https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</u></a></p> <p><b>AREIT discloses on its Definitive Information Statement the remuneration of its top five most highly compensated executives, including the CEO.</b>  Ref: pg 13 to 14 &gt; 2020 Definitive Information Statement &gt; AREIT Website &gt; Investor Relations &gt; Annual and Special Stockholders' Meetings &gt; Information Statements (SEC Form 20-IS)  <a href="#"><u>https://ir.ayalaland.com.ph/wp-content/uploads/2020/03/ALI-2020-DIS_PSE-EDGE.pdf</u></a></p>	
<b>Recommendation 8.5</b>			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	Disclose or provide reference/link to company's RPT policies	

		<p>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</p> <p><b>AREIT discloses its RPT Policy on its website.</b>  Ref: AREIT Related Party Transactions Review Policy &gt; AREIT Website &gt; Governance &gt; Company Policies  <a href="https://areit.com.ph/media/pages/governance/company-policies/related-party-transactions-policy/7334d5da1e-1624862899/areit-related-party-transactions-policy-1mar2021.pdf">https://areit.com.ph/media/pages/governance/company-policies/related-party-transactions-policy/7334d5da1e-1624862899/areit-related-party-transactions-policy-1mar2021.pdf</a></p> <p><b>There have been no cases wherein a director in conflict of interest is involved in any of the related party transactions disclosed in the Sec Form No. 17-A.</b></p>	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	<p>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</p> <ol style="list-style-type: none"> <li>1. name of the related counterparty;</li> <li>2. relationship with the party;</li> <li>3. transaction date;</li> <li>4. type/nature of transaction;</li> <li>5. amount or contract price;</li> <li>6. terms of the transaction;</li> <li>7. rationale for entering into the transaction;</li> <li>8. the required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and</li> </ol>	

		<p>9. other terms and conditions</p> <p><b>AREIT discloses the material and significant RPTs reviewed and approved during the year.</b></p> <p>Ref: pg 105 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance &gt; Board Committees &gt; Related Party Transactions Review Committee, item 3.</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p>Ref: pg 6 to 13 &gt; AREIT Website &gt; Investor Relations &gt; Annual Stockholders' Meetings &gt; Information Statements (SEC Form 20-IS) &gt; (b) Certain Relationships and Related Transactions</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/investor-relations-program/68cc9e9319-1617613753/sec-form-20-dis-2021-annual-stockholders-meeting.pdf">https://areit.com.ph/media/pages/investor-relations/investor-relations-program/68cc9e9319-1617613753/sec-form-20-dis-2021-annual-stockholders-meeting.pdf</a></p>	
<b>Supplement to Recommendation 8.5</b>			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	<p>Indicate where and when directors disclose their interests in transactions or any other conflict of interests.</p> <p><b>AREIT requires its directors to disclose their interests.</b></p> <p>Ref: pg 52 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance and Risk Management &gt; Board Committees &gt; Disclosure of Conflict of Interest</p>	

		<p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p>Ref: pg 11 &gt; Related Party Transaction Policy &gt; 10. Conflicts of Interest and Disclosure Requirements for Directors, Officers and Employees</p> <p><a href="https://areit.com.ph/media/pages/governance/company-policies/related-party-transactions-policy/7334d5da1e-1624862899/areit-related-party-transactions-policy-1mar2021.pdf">https://areit.com.ph/media/pages/governance/company-policies/related-party-transactions-policy/7334d5da1e-1624862899/areit-related-party-transactions-policy-1mar2021.pdf</a></p> <p><b>AREIT has a governance policy on conflict of interest to ensure that the personal interest of directors and officers should never prevail over the interest of the company, so that they may not directly or indirectly derive any personal profit or advantage by reason of their position in the company and must promote the common interest of all shareholders and the company without regard to their own personal and selfish interests.</b></p> <p>Ref: pg 46 to 47 &gt; AREIT CG Manual &gt; Article IV Governance Policy on Conflict of Interest</p> <p><a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p>	
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Optional : Recommendation 8.5

1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	Compliant	<p>Provide link or reference where this is disclosed, if any</p> <p><b>AREIT ensures that all RPTs are conducted on an arms' length basis, at normal prices, and will inure to the best interest of the company.</b></p> <p>Ref: pg 1 &gt; AREIT RPT Policy &gt; 2. Statement of Policy and Coverage &gt; AREIT Website &gt; Governance &gt; Company Policies  <a href="https://areit.com.ph/media/pages/governance/company-policies/related-party-transactions-policy/7334d5da1e-1624862899/areit-related-party-transactions-policy-1mar2021.pdf">https://areit.com.ph/media/pages/governance/company-policies/related-party-transactions-policy/7334d5da1e-1624862899/areit-related-party-transactions-policy-1mar2021.pdf</a></p> <p>Ref: pg 59 &gt; AREIT 2020 Integrated Report &gt; Related Party Transactions Policy  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
<b>Recommendation 8.6</b>			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Compliant	<p>Provide link or reference where this is disclosed</p> <p><b>AREIT Disclosures</b></p> <p>Ref: AREIT Website &gt; Disclosures  <a href="https://areit.com.ph/company-disclosures/disclosures">https://areit.com.ph/company-disclosures/disclosures</a></p>	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant	Identify independent party appointed to evaluate the fairness of the transaction price	

		<p>Disclose the rules and procedures for evaluating the fairness of the transaction price, if any.</p> <p><b><i>In case of mergers, acquisitions and/or takeovers requiring shareholders' approval, the Board of Directors may appoint an independent party to evaluate the fairness of the terms of the transaction.</i></b></p> <p>Ref: pg 58 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance &gt; Policies and Practices &gt; Fairness Evaluation in cases of Mergers, Acquisitions and/or takeovers  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p>Ref: pg 15-16 &gt; AREIT Definitive Information Statement&gt; ii. Issuance of shares to Ayala Land, Inc  <a href="https://areit.com.ph/media/pages/investor-relations/investor-relations-program/68cc9e9319-1617613753/sec-form-20-dis-2021-annual-stockholders-meeting.pdf">https://areit.com.ph/media/pages/investor-relations/investor-relations-program/68cc9e9319-1617613753/sec-form-20-dis-2021-annual-stockholders-meeting.pdf</a></p>	
<b>Supplement to Recommendation 8.6</b>			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Compliant	<p>Provide link or reference where these are disclosed.</p> <p><b><i>All material transactions/information are disclosed on the IR website.</i></b></p> <p>Ref: AREIT Website &gt; Disclosures  <a href="https://areit.com.ph/company-disclosures/disclosures">https://areit.com.ph/company-disclosures/disclosures</a></p>	

Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	Provide link to the company's website where the Manual on Corporate Governance is posted.  <b><i>AREIT's corporate governance policies, programs and procedures are contained in its CG Manual. It is submitted to the SEC and PSE and is posted on its website.</i></b> Ref: AREIT IR Website > Governance > Manual on Corporate Governance <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/5faba1d864-1614881628/areit_cq_manual_fin0730.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/5faba1d864-1614881628/areit_cq_manual_fin0730.pdf</a>	
2. Company's MCG is submitted to the SEC and PSE.	Compliant		
3. Company's MCG is posted on its company website.	Compliant		
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliance	Provide proof of submission.  <b><i>AREIT's proof of submission of the CG Manual to the PSE. The CG Manual was submitted to the SEC upon registration of AREIT as a real estate investment trust company.</i></b> Ref: AREIT CG Manual > PSE Edge > AREIT > Other SEC Forms, Reports and Requirements <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=de51d017f4236e015d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=de51d017f4236e015d542af6f1e997b9</a>	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:	Compliant	Provide link or reference to the company's Annual Report containing the said information.	
a. Corporate Objectives	Compliant		

		<p><i>AREIT 2020 Integrated Report &gt; AREIT Website &gt; Investor Relations &gt; Annual Reports</i></p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p><b>Corporate Objectives</b> <i>Ref: pg 26 to 27</i></p> <p><b>Financial and non-financial performance indicators</b> <i>Ref: pg 5</i></p> <p><b>Dividend Declaration</b> <i>Ref: pg 57</i></p> <p><b>Biographical Details</b> <i>Ref: pg 18 to 21</i></p> <p><b>Attendance of each director</b> <i>Ref: pg 51</i></p> <p><b>Remuneration</b> <i>Ref: pg 52</i></p>	
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	<p>Provide link or reference to where this is contained in the Annual Report</p> <p><b>Statement confirming the company's full compliance with the Code of Corporate Governance</b> <i>Ref: pg 46 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance &gt; Corporate</i></p>	

		<p><i>Governance Structure &gt; Strategic Business Units and Subsidiaries &gt; last paragraph</i>  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></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.	Compliant	<p>Provide link or reference to where this is contained in the Annual Report</p> <p><b>Board of Directors Statement</b>  Ref: pg 53 to 54 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance and Risk Management &gt; Board of Directors &gt; Board Committees &gt; Audit Committee  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></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.	Compliant	<p>Provide link or reference to where this is contained in the Annual Report</p> <p><b>Board of Directors Statement</b>  Ref: pg 53 to 54 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance and Risk Management &gt; Board of Directors &gt; Board Committees &gt; Audit Committee  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
5. The company discloses in the Annual Report the key risks to which the company is materially	Compliant	<p>Provide link or reference to where these are contained in the Annual Report</p>	

exposed to (i.e. financial, operational including IT, environmental, social, economic).		<b>Key Risks</b> Ref: pg 60 to 61 > AREIT 2020 Integrated Report > Risk Management <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a>	
<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	Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.  <b><i>The Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal and fees of the external auditor.</i></b> Ref: pg 4-5 > AREIT Audit Committee Charter > 3. Roles and Responsibilities > 3.3 Independent Audit > items a, and g <a href="https://areit.com.ph/media/pages/governance/board-committees/9a85ec2629-1624863032/areit-charter-of-the-audit-committee-24feb21.pdf">https://areit.com.ph/media/pages/governance/board-committees/9a85ec2629-1624863032/areit-charter-of-the-audit-committee-24feb21.pdf</a>  Ref: pg 31 to 32> AREIT CG Manual> 2.4 Audit Committee> Independent Audit> Items cc & ii. <a href="https://areit.com.ph/media/pages/governance/board-committees/9a85ec2629-1624863032/areit-charter-of-the-audit-committee-24feb21.pdf">https://areit.com.ph/media/pages/governance/board-committees/9a85ec2629-1624863032/areit-charter-of-the-audit-committee-24feb21.pdf</a>	

		<a href="#">1624863032/areit-charter-of-the-audit-committee-24feb21.pdf</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	<p>Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.</p> <p><b><i>The Board, through the Audit Committee, recommends to the stockholders a duly accredited external auditor who shall undertake an independent audit and shall provide an objective assurance on the preparation of AREIT's financial statements.</i></b></p> <p>Ref: pg 32 &gt; AREIT CG Manual &gt; Article V Audit and Compliance &gt; 2. External Audit &gt; Item a</p> <p><a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p> <p>Ref: pg 3 &gt; Disclosure 2021-04-23 Results of the 2021 Annual Stockholders Meeting and Organizational Meeting of the Board of Directors &gt; Item 9</p> <p><a href="https://areit.com.ph/media/pages/company-disclosures/disclosures/sec/b8254bb793-1619512127/disclosure-2021-04-23-results-of-the-2021-asm-and-org.-bod-april-23-2021.pdf">https://areit.com.ph/media/pages/company-disclosures/disclosures/sec/b8254bb793-1619512127/disclosure-2021-04-23-results-of-the-2021-asm-and-org.-bod-april-23-2021.pdf</a></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.	Compliant	Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.	

		<p><b>The reason/s for the resignation, dismissal or cessation from service and date thereof of an external auditor shall be reported in AREIT's annual and current reports. Since its incorporation, AREIT has not removed nor changed its external auditor.</b></p> <p>Ref: pg 50 &gt; AREIT CG Manual &gt; Article V Audit and Compliance &gt; 2. External Audit &gt; Item e</p> <p><a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p>	
<b>Supplement to Recommendation 9.1</b>			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	<p>Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years.</p> <p><b>The Partner-in-charge is rotated every five years or earlier.</b></p> <p>Ref: pg 50 &gt; AREIT CG Manual &gt; Article V Audit and Compliance &gt; 2. External Audit &gt; Item d</p> <p><a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p>	
<b>Recommendation 9.2</b>			
1. Audit Committee Charter includes the Audit Committee's responsibility on: <ul style="list-style-type: none"> <li>i. assessing the integrity and independence of external auditors;</li> </ul>	Compliant	<p>Provide link/reference to the company's Audit Committee Charter</p> <p><b>AREIT's Audit Committee Charter</b></p>	

<p>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</p> <p>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</p>		<p>Ref: pg. 4 to 5 &gt; AREIT Charter of the Audit Committee &gt; AREIT Website &gt; Governance &gt; Board Committees &gt; Audit Committee &gt; 3.3 Independent Audit</p> <p><a href="https://areit.com.ph/media/pages/governance/board-committees/9a85ec2629-1624863032/areit-charter-of-the-audit-committee-24feb21.pdf">https://areit.com.ph/media/pages/governance/board-committees/9a85ec2629-1624863032/areit-charter-of-the-audit-committee-24feb21.pdf</a></p>	
<p>2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	Compliant	<p>Provide link/reference to the company's Audit Committee Charter</p> <p><b><i>Refer to response provided in Recommendation 9.2, item 1.</i></b></p>	
<b>Supplement to Recommendations 9.2</b>			
<p>1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.</p>	Compliant	<p>Provide link/reference to the company's Audit Committee Charter</p> <p><b><i>Refer to response provided in Recommendation 9.2, item 1.</i></b></p>	
<p>2. Audit Committee ensures that the external auditor has adequate quality control procedures.</p>	Compliant	<p>Provide link/reference to the company's Audit Committee Charter</p> <p><b><i>Refer to response provided in Recommendation 9.2, item 1.</i></b></p>	
<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	<p>Disclose the nature of non-audit services performed by the external auditor, if any.</p> <p><b><i>AREIT discloses the nature of non-audit services performed by the external auditor in the Annual Report.</i></b></p>	

		<p>Ref: pg 56 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance and Risk Management &gt; Policies and Practices &gt; External Audit, Audit and Audit-related Fees</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
<p>2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.</p>	Compliant	<p>Provide link or reference to guidelines or policies on non-audit services</p> <p><b>Guidelines on Non-Audit Services</b></p> <p>Ref: pg 32 &gt; AREIT CG Manual &gt; Article II Governance Structure &gt; 2. Board Committees &gt; 2.4 Audit Committee &gt; Item jj</p> <p><a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p> <p>Ref: pg 5 &gt; AREIT Charter of the Audit Committee &gt; item g</p> <p><a href="https://areit.com.ph/media/pages/governance/board-committees/9a85ec2629-1624863032/areit-charter-of-the-audit-committee-24feb21.pdf">https://areit.com.ph/media/pages/governance/board-committees/9a85ec2629-1624863032/areit-charter-of-the-audit-committee-24feb21.pdf</a></p>	
<b>Supplement to Recommendation 9.3</b>			
<p>1. Fees paid for non-audit services do not outweigh the fees paid for audit services.</p>	Non-Compliant	<p>Provide information on audit and non-audit fees paid.</p>	<p><b>AREIT discloses the nature of non-audit services performed by the external auditor in the Annual Report and fees paid for non-audit services outweigh the fees paid for audit services because of the requirements for the registration of AREIT as a real estate investment trust company.</b></p>

			<p><i>Ref: pg 56 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance and Risk Management &gt; Policies and Practices &gt; External Audit, Audit and Audit-related Fees</i></p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>
<b>Additional Recommendation to Principle 9</b>			
<p>1. Company's external auditor is duly accredited by the SEC under Group A category.</p>	Compliant	<p>Provide information on company's external auditor, such as:</p> <ol style="list-style-type: none"> <li>1. Name of the audit engagement partner;</li> <li>2. Accreditation number;</li> <li>3. Date Accredited;</li> <li>4. Expiry date of accreditation; and</li> <li>5. Name, address, contact number of the audit firm.</li> </ol> <p><b><i>Audit Engagement Partner:</i></b>  <i>Dolmar C. Montañez</i>  <b><i>SEC Accreditation number:</i></b> 1561-AR-1  <b><i>Date Accredited:</i></b> January 31, 2019  <b><i>Expiry:</i></b> January 30, 2022  <b><i>Name, address, contact number of audit firm:</i></b>  <i>SyCip Gorres Velayo &amp; Co.</i>  <i>6760 Ayala Avenue</i>  <i>1226 Makati City Philippines</i>  <i>Tel (632) 8910307</i>  <i>Website <a href="https://www.ey.com/ph/en/home">https://www.ey.com/ph/en/home</a></i></p> <p><i>Ref: pg 55, 69 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance and Risk Management &gt; Policies and Practices &gt; External Audit, Audit and Audit-related Fees</i></p>	

		<a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a>	
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	<p>Provide information on the following:</p> <ol style="list-style-type: none"> <li>1. Date it was subjected to SOAR inspection, if subjected;</li> <li>2. Name of the Audit firm; and</li> <li>3. Members of the engagement team inspected by the SEC.</li> </ol> <p><b><i>SGV &amp; Co. agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program. The inspection was done from Nov 12 – 28, 2018. The names of the members of the engagement team were provided to the SEC during the inspection.</i></b></p>	

**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 its business, which underpin sustainability.	Compliant	<p>Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.</p> <p><b><i>The Board commits at all times to full disclosure of material information, including non-financial information, with emphasis on the management of economic, environment, social and governance issues of the business, which underpin sustainability. It shall cause the filing of all</i></b></p>	
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		<p><b>required information through the appropriate Exchange mechanisms for listed companies and submissions to the Commission for the interest of its stockholders and other stakeholders.</b>  Ref: Pg 53 &gt; AREIT CG Manual &gt; Article VI Communication and Information &gt; 1. Management's Responsibility for Information &gt; last paragraph  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p> <p><b>About the AREIT Integrated Report</b>  Ref: pg 5 &gt; 2020 AREIT Integrated Report &gt; About this Report  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	<p>Provide link to Sustainability Report, if any. Disclose the standards used.</p> <p><b>The sustainability initiatives of the company is an integral part of its Annual Report.</b></p> <p><b>About the AREIT Integrated Report</b>  Ref: pg 2, 34 to 45, 65 to 66 &gt; 2020 AREIT Integrated Report &gt; About this Report; Statement of Management's Responsibility in the preparation of the 2020 Integrated Report; Independent Assurance Statement</p>	

		<a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a>	
<b>Principle 11:</b> The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.			
<b>Recommendation 11.1</b>			
1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	Compliant	<p>Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any.</p> <p><b><i>AREIT holds media and analyst briefings to ensure timely and accurate dissemination of public, material and relevant information to its shareholders</i></b>  <i>Ref: pg 45 &gt; AREIT 2020 Integrated Report &gt; Social Engagement &gt; Shareholders and Analysts &gt; Analysts' Briefings, Investor Meetings, Roadshows and Conferences and Media</i>  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
<b>Supplemental to Principle 11</b>			
1. Company has a website disclosing up-to-date information on the following:	Compliant	Provide link to company website	
a. Financial statements/reports (latest quarterly)	Compliant	<p><b><i>AREIT Website</i></b>  <a href="https://areit.com.ph/">https://areit.com.ph/</a></p>	

b. Materials provided in briefings to analysts and media	Compliant	<b>Financial Statements</b> <a href="https://areit.com.ph/investor-relations/financial-performance">https://areit.com.ph/investor-relations/financial-performance</a>	
c. Downloadable annual report	Compliant	<b>Analyst Briefing Materials</b> <a href="https://areit.com.ph/presentations">https://areit.com.ph/presentations</a>	
d. Notice of ASM and/or SSM	Compliant		
e. Minutes of ASM and/or SSM	Compliant	<b>Downloadable Annual Report</b> <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a>	
f. Company's Articles of Incorporation and By-Laws	Compliant	<b>Notice of ASM</b> <a href="https://areit.com.ph/investor-relations/investor-relations-program">https://areit.com.ph/investor-relations/investor-relations-program</a>  <b>Minutes of ASM</b> <a href="https://areit.com.ph/company-disclosures/minutes-of-all-general-and-special-stockholders-meetings">https://areit.com.ph/company-disclosures/minutes-of-all-general-and-special-stockholders-meetings</a>  <b>Articles of Incorporation and By-laws</b> <a href="https://areit.com.ph/our-company/articles-of-incorporation-and-by-laws">https://areit.com.ph/our-company/articles-of-incorporation-and-by-laws</a>	
<b>Additional Recommendation to Principle 11</b>			
1. Company complies with SEC-prescribed website template.	Compliant	<b>AREIT Website</b> <a href="https://areit.com.ph/">https://areit.com.ph/</a>	
<b>Internal Control System and Risk Management Framework</b>			
<b>Principle 12:</b> To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
<b>Recommendation 12.1</b>			

<p>1. Company has an adequate and effective internal control system in the conduct of its business.</p>	<p>Compliant</p>	<p>List quality service programs for the internal audit functions. Indicate frequency of review of the internal control system</p> <p><b><i>AREIT has an adequate and effective internal control system.</i></b> Ref: pg 29 &gt; AREIT CG Manual &gt; Article II Governance Structure &gt; 2. Board Committees &gt; 2.4 Audit Committee <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p> <p>Ref: pg 55 &gt; AREIT Integrated Report <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>Compliant</p>	<p>Identify international framework used for Enterprise Risk Management</p> <p>Provide information or reference to a document containing information on:</p> <ol style="list-style-type: none"> <li>1. Company's risk management procedures and processes</li> <li>2. Key risks the company is currently facing</li> <li>3. How the company manages the key risks</li> </ol> <p>Indicate frequency of review of the enterprise risk management framework.</p>	

		<p><b>AREIT has an adequate and effective risk management framework.</b></p> <p>Ref: pg 60 to 61 &gt; 2020 AREIT Integrated Report &gt; Risk Management  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p>Ref: pg 32 to 33 &gt; AREIT Corporate Governance Manual &gt; Article II &gt; Item 2.5 Risk Oversight Committee  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p>	
<b>Supplement to Recommendations 12.1</b>			
<p>1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.</p>	Compliant	<p>Provide information on or link/ reference to a document containing the company's compliance program covering compliance with laws and relevant regulations.</p> <p>Indicate frequency of review.</p> <p><b>AREIT has a formal compliance system in place.</b></p> <p>Ref: pg 50 to 51 &gt; AREIT CG Manual &gt; Article V Audit and Compliance &gt; 3. The Compliance System  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p>	

		<p>Ref: pg 52 &gt; 2020 AREIT Integrated Report &gt; Corporate Governance &gt; Board Matters &gt; Training and Continuous Education</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
<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	Provide information on IT governance process	<p><b>AREIT has yet to appoint a Chief Risk Officer and formally adopt a Risk Management Plan. AREIT intends to complete appointment of the Chief Risk Officer and a Risk Management Plan by end of 2021.</b></p>
<b>Recommendation 12.2</b>			
<p>1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.</p>	Compliant	<p>Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.</p> <p><b>Internal audit is in-house with specific responsibilities on Independent Audit.</b></p> <p>Ref: pg 7 &gt; AREIT Charter of the Audit Committee &gt; H. Responsibility</p> <p><a href="https://areit.com.ph/media/pages/governance/board-committees/9a85ec2629-1624863032/areit-charter-of-the-audit-committee-24feb21.pdf">https://areit.com.ph/media/pages/governance/board-committees/9a85ec2629-1624863032/areit-charter-of-the-audit-committee-24feb21.pdf</a></p> <p>Ref: pg 29 to 30 &gt; AREIT Corporate Governance Manual &gt; Article II &gt; Item 2.4 Audit Committee &gt; Internal Audit</p> <p><a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p>	

<b>Recommendation 12.3</b>			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	<p>Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.</p> <p><b><i>AREIT has a qualified Chief Audit Executive</i></b>  Ref: pg 48 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance &gt; Our Governance Structure &gt; Chief Audit Executive  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third-party service provider.	Compliant	<b><i>Refer to the response on Recommendation 12.3, item 1.</i></b>	
3. In case of a fully outsourced internal audit activity a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Compliant	<p>Identify qualified independent executive or senior management personnel, if applicable.</p> <p><b><i>AREIT's internal audit function is done 100% internally. However, in the event that the audit function should be outsourced, AREIT has a qualified senior management personnel who can oversee the activity. Ms. Rowena P. Libunao was appointed Chief Audit Executive of AREIT in February 2021 and can assume this function if needed.</i></b>  Ref: pg 48 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance &gt; Our Governance Structure &gt; Chief Audit Executive</p>	

		<a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a>	
<b>Recommendation 12.4</b>			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	<p>Provide information on company's risk management function.</p> <p><b>AREIT has a separate risk management function.</b></p> <p>Ref: pg 60 to 61 &gt; AREIT 2020 Integrated Report &gt; Risk Management</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p>Ref: pg 32 to 33 &gt; AREIT Corporate Governance Manual &gt; Article II &gt; Item 2.5 Board Risk Oversight Committee</p> <p><a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p>	
<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	Identify source of external technical support, if any.	<p><b>ALI seeks external technical support in risk management from various consultants and third parties. As an affiliate of ALI, the risks associated with AREIT are likewise included in the program.</b></p> <p>1. <b>KPMG Singapore</b> for the development of AREIT's Enterprise-Wide Risk Management (EWRM) framework which raised AREIT's program comparable to regional peers</p>

			<ol style="list-style-type: none"> <li>2. <b>Marsh Risk Consulting</b> for risk identification and review of key sites as well as risk mitigation and control for operational and physical hazards</li> <li>3. <b>Local and regional insurers and reinsurers</b> for catastrophe analysis and total portfolio exposure analysis</li> <li>4. <b>Sy2 Co. and Mr. Bryan Tan</b> for geotechnical and structural analysis</li> <li>5. <b>Philippine Institute of Volcanology and Seismology (PhiVolcS)</b> for natural hazards and <b>the Philippine National Police (PNP) and the Armed Forces of the Philippines (AFP)</b> for man-made risks</li> <li>6. <b>Aon Singapore</b> for the risk tolerance and maturity study along with the other companies in the network of the Ayala Group</li> </ol>
<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	Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.	<b>AREIT has yet to appoint a Chief Risk Officer</b>
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Non-Compliant		<b>AREIT has yet to appoint a Chief Risk Officer</b>
<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	Ref: AREIT IR website > Corporate Governance > CEO, CFO and CAE attestation <a href="https://ir.ayalaland.com.ph/corporate-governance/ceo-cfo-cae-attestation/">https://ir.ayalaland.com.ph/corporate-governance/ceo-cfo-cae-attestation/</a>	<b>The AREIT CEO, CFO and CAE have yet to issue an attestation</b>

<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	<p>Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.</p> <p><b>Shareholders' rights are disclosed in the CG Manual.</b>  Ref: pg 55 to 57 &gt; AREIT CG Manual &gt; Article VII Stockholders' Rights and Protection of Minority Stockholders' Interests  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p>	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	<p>Provide link to company's website</p> <p><b>Shareholders' rights are disclosed on the AREIT Website.</b>  Ref: pg 55 to 57 &gt; AREIT CG Manual &gt; Article VII Stockholders' Rights and Protection of Minority Stockholders' Interests  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p>	
<b>Supplement to Recommendation 13.1</b>			
1. Company's common share has one vote for one share.	Compliant	<b>Each common share of AREIT entitles the person, in whose name the share is registered in the books of the Corporation, to one vote.</b>	

		<p>Ref: pg 44 &gt; AREIT 2020 Integrated Report &gt; Social Engagement&gt; Shareholders and Analysts &gt; Shareholders Voting Rights  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
<p>2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.</p>	Compliant	<p>Provide information on all classes of shares, including their voting rights if any.</p> <p><b><i>Each common share of AREIT entitles the person, in whose name the share is registered in the books of the Corporation, to one vote.</i></b></p> <p>Ref: pg 44 &gt; AREIT 2020 Integrated Report &gt; Social Engagement&gt; Shareholders and Analysts &gt; Shareholders Voting Rights  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p><b><i>AREIT's Board ensures that all shareholders are treated equally with respect to their rights.</i></b></p> <p>Ref: pg 55 to 57 &gt; AREIT CG Manual &gt; Article VII Stockholders' Rights and Protection of Minority Stockholders' Interests  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p>	

3. Board has an effective, secure, and efficient voting system.	Compliant	<p>Provide link to voting procedure. Indicate if voting is by poll or show of hands.</p> <p><b><i>The Board has an effective, secure, and efficient voting system.</i></b>  Ref: pg 57 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance &gt; Policies and Practices &gt; Voting Procedure  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
4. Board has an effective shareholder voting mechanism such as supermajority or “majority of minority” requirements to protect minority shareholders against actions of controlling shareholders.	Compliant	<p>Provide information on shareholder voting mechanisms such as supermajority or “majority of minority”, if any.</p> <p><b><i>AREIT’s Board ensures the protection of minority shareholders.</i></b>  Ref: pg 55 to 57 &gt; AREIT CG Manual &gt; Article VII Stockholders’ Rights and Protection of Minority Stockholders’ Interests  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p>	
5. Board allows shareholders to call a special shareholders’ meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Compliant	<p>Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution)</p> <p><b><i>The minority shareholders shall have the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.</i></b></p>	

		<p>Ref: pg 56 to 57 &gt; AREIT CG Manual &gt; Article VII Stockholders' Rights and Protection of Minority Stockholders' Interests &gt; 1. Shareholder Rights &gt; 1.4 Right to Information</p> <p><a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p>	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	<p>Provide information or link/reference to the policies on treatment of minority shareholders</p> <p><b>AREIT's Board clearly articulates and enforces policies with respect to treatment of minority shareholders.</b></p> <p>Ref: pg 55 to 57 &gt; AREIT CG Manual &gt; Article VII Stockholders' Rights and Protection of Minority Stockholders' Interests</p> <p><a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p>	
7. Company has a transparent and specific dividend policy.	Compliant	<p>Provide information on or link/reference to the company's dividend Policy.</p> <p>Indicate if company declared dividends. If yes, indicate the number of days within which the dividends were paid after declaration. In case the company has offered scrip-dividends, indicate if the company paid the dividends within 60 days from declaration</p> <p><b>AREIT's Dividend Declaration</b></p>	

		<p>Ref: pg 57 &gt; 2020 AREIT Integrated Report &gt; Corporate Governance &gt; Policies and Practices &gt; Dividend Declaration</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p><b>AREIT declared dividends for Q1 2021 on May 26, 2021 for shareholders on record as of June 11, 2021 with the payment date on June 25, 2021, 30 days after its declaration.</b></p> <p><a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=0af0fc6cde53efed5d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=0af0fc6cde53efed5d542af6f1e997b9</a></p>	
<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	<p>Identify the independent party that counted/validated the votes at the ASM, if any.</p> <p><b>SGV &amp; Co. was appointed as the independent party to validate the votes.</b></p> <p>Ref: pg 14 &gt; AREIT Definitive Information Statement &gt; Item 7 Independent Public Accountants &gt; Item B</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/investor-relations-program/68cc9e9319-1617613753/sec-form-20-dis-2021-annual-stockholders-meeting.pdf">https://areit.com.ph/media/pages/investor-relations/investor-relations-program/68cc9e9319-1617613753/sec-form-20-dis-2021-annual-stockholders-meeting.pdf</a></p> <p><b>2021 ASM Voting Results</b></p> <p><a href="https://areit.com.ph/media/pages/company-disclosures/minutes-of-all-general-and-special-stockholders-meetings/b5c942f451-">https://areit.com.ph/media/pages/company-disclosures/minutes-of-all-general-and-special-stockholders-meetings/b5c942f451-</a></p>	

		1619512587/areit-2021-asm-voting-results-april-26-2021.pdf	
<b>Recommendation 13.2</b>			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Non-Compliant	<p>Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out.</p> <p>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</p> <p>Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS)</p>	<p><b>AREIT sent the Notice of Annual and Special Shareholders' Meeting to shareholders on March 31, 2021, 23 days before the Annual Stockholders' Meeting on April 23, 2020.</b></p> <p>Ref: 2020 Notice and Agenda of Annual Stockholders' Meeting and DIS &gt; PSE EDGE Website &gt; Company Disclosures  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=3a7639eeaf71aff45d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=3a7639eeaf71aff45d542af6f1e997b9</a> and  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=e57be4ee2519a8e75d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=e57be4ee2519a8e75d542af6f1e997b9</a></p>
<b>Supplemental to Recommendation 13.2</b>			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Compliant	Provide link or reference to the company's notice of Annual Shareholders' Meeting	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant	<p><b>Link to the Notice of ASM</b></p> <p>Ref: 2020 Notice and Agenda of Annual Stockholders' Meeting and DIS &gt; AREIT Website &gt; Disclosures &gt; 2020 Information Statements (SEC Form 20-IS)</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/investor-relations-program/68cc9e9319-1617613753/sec-form-20-dis-2021-annual-stockholders-meeting.pdf">https://areit.com.ph/media/pages/investor-relations/investor-relations-program/68cc9e9319-1617613753/sec-form-20-dis-2021-annual-stockholders-meeting.pdf</a></p> <p>Ref: 2020 Notice and Agenda of Special Stockholders' Meeting and DIS &gt; AREIT Website &gt; Disclosures &gt; 2020 Information Statements (SEC Form 20-IS)</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/investor-relations-program/68cc9e9319-1617613753/sec-form-20-dis-2021-annual-stockholders-meeting.pdf">https://areit.com.ph/media/pages/investor-relations/investor-relations-program/68cc9e9319-1617613753/sec-form-20-dis-2021-annual-stockholders-meeting.pdf</a></p>	
b. Auditors seeking appointment/re-appointment	Compliant		
c. Proxy documents	Compliant		

		<a href="#"><u>program/f6ba4469c5-1617677649/2021-03-31-sec-form-20-dis-2021-special-stockholders-meetingq-updated.pdf</u></a>	
<b>Optional: Recommendation 13.2</b>			
1. Company provides rationale for the agenda items for the annual stockholders meeting	Compliant	<p>Provide link or reference to the rationale for the agenda items</p> <p><b><i>AREIT provides the explanation for the agenda items for the ASM.</i></b></p> <p>Ref: 2021 Notice and Agenda of Annual Stockholders' Meeting and DIS &gt; AREIT Website &gt; Disclosures &gt; 2020 Information Statements (SEC Form 20-IS)</p> <p><a href="#"><u>https://areit.com.ph/media/pages/investor-relations/investor-relations-program/68cc9e9319-1617613753/sec-form-20-dis-2021-annual-stockholders-meetingq.pdf</u></a></p> <p>Ref: 2020 Notice and Agenda of Special Stockholders' Meeting and DIS &gt; AREIT Website &gt; Disclosures &gt; 2020 Information Statements (SEC Form 20-IS)</p> <p><a href="#"><u>https://areit.com.ph/media/pages/investor-relations/investor-relations-program/f6ba4469c5-1617677649/2021-03-31-sec-form-20-dis-2021-special-stockholders-meeting-updated.pdf</u></a></p>	
<b>Recommendation 13.3</b>			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the	

results of the vote taken during the most recent ASM/SSM.

***The voting results are posted on the website on the following day of the ASM.***

Ref: 2021 ASM Voting Results posted on April 26, 2020 > AREIT Website > Disclosures > Minutes of All General and Special Stockholders Meetings

<https://areit.com.ph/media/pages/company-disclosures/minutes-of-all-general-and-special-stockholders-meetings/b5c942f451-1619512587/areit-2021-asm-voting-results-april-26-2021.pdf>

***The voting results are posted on the website on the following day of the SSM.***

Ref: 2021 SSM Voting Results posted on April 26, 2020 > AREIT Website > Disclosures > Minutes of All General and Special Stockholders Meetings

<https://areit.com.ph/media/pages/company-disclosures/minutes-of-all-general-and-special-stockholders-meetings/77bd181ee3-1619512587/areit-2021-ssm-voting-results-april-26-2021.pdf>

***Minutes of the ASM***

Ref: 2021 Minutes of the posted on April 28, 2020 > AREIT Website > Disclosures > Minutes of All General and Special Stockholders Meetings

<https://areit.com.ph/media/pages/company-disclosures/minutes-of-all-general-and-special-stockholders-meetings/45e48ac61a-1619687295/areit-mins-2021-asm-fin.pdf>

		<p><b>Minutes of the SSM</b>  Ref: 2021 SSM Minutes posted on April 28, 2020 &gt; AREIT Website &gt; Disclosures &gt; Minutes of All General and Special Stockholders Meetings  <a href="https://areit.com.ph/media/pages/company-disclosures/minutes-of-all-general-and-special-stockholders-meetings/bb7102c7a5-1619687296/areit-mins-2021-ssm-fin.pdf">https://areit.com.ph/media/pages/company-disclosures/minutes-of-all-general-and-special-stockholders-meetings/bb7102c7a5-1619687296/areit-mins-2021-ssm-fin.pdf</a></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>Provide link to minutes of meeting in the company website.</p> <p>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.  Indicate also if the voting on resolutions was by poll.</p> <p>Include whether there was opportunity to ask question and the answers given, if any</p> <p><b>Minutes of the 2021 ASM was posted on the AREIT website on April 28, 2020, within three business days from the date of the ASM, April 23, 2020.</b>  Ref: 2021 Minutes of the posted on April 28, 2020 &gt; AREIT Website &gt; Disclosures &gt; Minutes of All General and Special Stockholders Meetings  <a href="https://areit.com.ph/media/pages/company-disclosures/minutes-of-all-general-and-special-stockholders-meetings/45e48ac61a-1619687295/areit-mins-2021-asm-fin.pdf">https://areit.com.ph/media/pages/company-disclosures/minutes-of-all-general-and-special-stockholders-meetings/45e48ac61a-1619687295/areit-mins-2021-asm-fin.pdf</a></p>	

		<p><b>Minutes of the 2021 SSM was posted on the AREIT website on April 28, 2020, within three business days from the date of the SSM, April 23, 2020.</b></p> <p>Ref: 2021 SSM Minutes posted on April 28, 2020 &gt; AREIT Website &gt; Disclosures &gt; Minutes of All General and Special Stockholders Meetings</p> <p><a href="https://areit.com.ph/media/pages/company-disclosures/minutes-of-all-general-and-special-stockholders-meetings/bb7102c7a5-1619687296/areit-mins-2021-ssm-fin.pdf">https://areit.com.ph/media/pages/company-disclosures/minutes-of-all-general-and-special-stockholders-meetings/bb7102c7a5-1619687296/areit-mins-2021-ssm-fin.pdf</a></p>	
<b>Supplement to Recommendation 13.3</b>			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	<p>Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting</p> <p><b><i>The Partner-in-charge, Dolmar C. Montañez, and other relevant individuals were present during the ASM and SSM.</i></b></p> <p>Ref: pg 2 &gt; Minutes of 2021 Annual Meeting of the Stockholders &gt; 1. Call to Order &gt; 2<sup>nd</sup> par.</p> <p><a href="https://areit.com.ph/media/pages/company-disclosures/minutes-of-all-general-and-special-stockholders-meetings/45e48ac61a-1619687295/areit-mins-2021-asm-fin.pdf">https://areit.com.ph/media/pages/company-disclosures/minutes-of-all-general-and-special-stockholders-meetings/45e48ac61a-1619687295/areit-mins-2021-asm-fin.pdf</a></p>	
<b>Recommendation 13.4</b>			
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.	Compliant	Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes	

		<p><b><i>The Corporation adopts the rules and procedures set forth under Republic Act No. 9285, otherwise known as the Alternative Dispute Resolution Act of 2004, as an alternative means to settle disputes with a view towards preventing excessive litigation.</i></b></p> <p>Ref: pg 57 &gt; AREIT CG Manual &gt; Article VII Stockholders' Rights and Protection of Minority Stockholders' Interests &gt; 1. Shareholder Rights &gt; 1.7 Alternative Dispute Mechanism for Intra-Corporate Dispute  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p>	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	<p>Provide link/reference to where it is found in the Manual on Corporate Governance</p> <p><b><i>AREIT has an alternative dispute mechanism in place to resolve intra-corporate disputes in an amicable and effective manner that is included in its CG Manual.</i></b></p> <p>Ref: pg 57 &gt; AREIT CG Manual &gt; Article VII Stockholders' Rights and Protection of Minority Stockholders' Interests &gt; 1. Shareholder Rights &gt; 1.7 Alternative Dispute Mechanism for Intra-Corporate Dispute  <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a></p>	

#### Recommendation 13.5

1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	<p>Disclose the contact details of the officer/office responsible for investor relations, such as:</p> <ol style="list-style-type: none"> <li>1. Name of the person</li> <li>2. Telephone number</li> <li>3. Fax number</li> <li>4. E-mail address</li> </ol> <p><b>Name: Michael Anthony L. Garcia</b>  <b>Tel: (632) 7908 3677</b>  <b>Fax: (632) 7750 6970</b>  <b>Email: <a href="mailto:garcia.mike@ayalaland.com.ph">garcia.mike@ayalaland.com.ph</a></b></p>	
2. IRO is present at every shareholder's meeting.	Compliant	<p>Indicate if the IRO was present during the ASM.</p> <p><b><i>The IRO is present at every Annual and Special Shareholders' Meeting.</i></b></p> <p><i>Ref: pg 2 &gt; Minutes of 2021 Annual Meeting of the Stockholders &gt; Officers Present</i>  <a href="https://areit.com.ph/media/pages/company-disclosures/minutes-of-all-general-and-special-stockholders-meetings/45e48ac61a-1619687295/areit-mins-2021-asm-fin.pdf">https://areit.com.ph/media/pages/company-disclosures/minutes-of-all-general-and-special-stockholders-meetings/45e48ac61a-1619687295/areit-mins-2021-asm-fin.pdf</a></p>	
<b>Supplemental Recommendations to Principle 13</b>			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant	<p>Provide information on how anti-takeover measures or similar devices were avoided by the board, if any.</p> <p><b><i>AREIT's Board of Directors avoids anti-takeover measures or similar devices that may entrench ineffective management of the existing controlling shareholder group. An example is the observance of one year-</i></b></p>	

		<p><b>term for its directors. Stockholders are given the opportunity to nominate new candidates for directorship during the ASM. Materials provided to stockholders expressly state that AREIT does not solicit proxies.</b></p> <p>Ref: pg 5 &gt; AREIT 2020 Information Statement &gt; Item 5 Directors and Executive Officers</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/investor-relations-program/68cc9e9319-1617613753/sec-form-20-dis-2021-annual-stockholders-meeting.pdf">https://areit.com.ph/media/pages/investor-relations/investor-relations-program/68cc9e9319-1617613753/sec-form-20-dis-2021-annual-stockholders-meeting.pdf</a></p> <p>Ref: pg 2 &gt; AREIT 2020 Information Statement &gt; Information required on the information statement</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/investor-relations-program/68cc9e9319-1617613753/sec-form-20-dis-2021-annual-stockholders-meeting.pdf">https://areit.com.ph/media/pages/investor-relations/investor-relations-program/68cc9e9319-1617613753/sec-form-20-dis-2021-annual-stockholders-meeting.pdf</a></p>	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Compliant	<p>Indicate the company's public float.</p> <p><b>AREIT's public float is 45.22% as of March 31, 2021.</b></p> <p><a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=c1b946c4409055645d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=c1b946c4409055645d542af6f1e997b9</a></p>	
<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	Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM	

		<p><b>AREIT's CEO, CFO and IRO regularly engage shareholders and analysts through quarterly briefings, one-on-one meetings, conferences and roadshows, conference calls and electronic mail. In addition, contact details of the IRO are readily available on the website and the 2020 Integrated Report.</b></p> <p>Ref: pg 44 to 45 &gt; 2020 Integrated Report &gt; Social Engagement &gt; Shareholders and Analysts</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	Compliant	<p>Disclose the process and procedure for secure electronic voting in absentia, if any.</p> <p><b>Stockholders who are unable to go to the venue of the ASM may vote electronically in absentia on matters in the agenda upon registration and validation online.</b></p> <p>Ref: pg 57 &gt; 2020 Integrated Report &gt; Corporate Governance &gt; Policies and Practices &gt; Voting Procedure</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p>Ref: pg 27 to 29 &gt; AREIT 2020 Information Statement &gt; Annex A Requirements and Procedure for electronic voting in absentia and participation by remote communication</p>	

		<a href="https://areit.com.ph/media/pages/investor-relations/investor-relations-program/68cc9e9319-1617613753/sec-form-20-dis-2021-annual-stockholders-meeting.pdf">https://areit.com.ph/media/pages/investor-relations/investor-relations-program/68cc9e9319-1617613753/sec-form-20-dis-2021-annual-stockholders-meeting.pdf</a>	
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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.

#### Recommendation 14.1

1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	<p>Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.</p> <p><b>AREIT's social engagement practices</b>  Ref: pg 42 to 45 &gt; AREIT 2020 Integrated Report &gt; Social Engagement  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
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#### Recommendation 14.2

1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	<p>Identify policies and programs for the protection and fair treatment of company's stakeholders</p> <p><b>The Board has clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.</b>  Ref: pg 42 to 45 &gt; AREIT 2020 Integrated Report &gt; Social Engagement  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
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		<a href="#">1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a>  Ref: pg 55 to 57 > AREIT CG Manual > Article VII Stockholders' Rights and Protection of Minority Stockholders' Interest <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a>	
<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	Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights.  Provide information on whistleblowing policy, practices and procedures for stakeholders  <b>Whistleblowing Contact Person:</b> <b>Name: Rowena P. Libunao</b> <b>Position: Chief Audit Executive appointed February 24, 2021</b> <b>Tel: (632) 917 3118510</b> <b>Email: <a href="mailto:myreport@ayalaland.com.ph">myreport@ayalaland.com.ph</a></b> <b>Whistleblowing Policy</b> Ref: pg 59 > AREIT 2020 Integrated Report > Corporate Governance > Policies and Practices > Whistleblowing Policy <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-</a>	

		<a href="#">1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a>  Ref: AREIT Website > Contact Us <a href="https://areit.com.ph/contact-us/inquire">https://areit.com.ph/contact-us/inquire</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	Provide information on the alternative dispute resolution system established by the company.  <b><i>AREIT has an alternative dispute mechanism in place to resolve intra-corporate disputes in an amicable and effective manner.</i></b> Ref: pg 57 > AREIT CG Manual > Article VII Stockholders' Rights and Protection of Minority Stockholders' Interests > 1. Shareholder Rights > 1.7 Alternative Dispute Mechanism for Intra-Corporate Dispute <a href="https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf">https://areit.com.ph/media/pages/governance/manual-on-corporate-governance/4400590d43-1624863422/areit-corporate-governance-manual-updated.pdf</a>	
<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	Disclose any requests for exemption by the company and the reason for the request.  <b><i>No such requests were made by AREIT.</i></b>	
2. Company respects intellectual property rights.	Compliant	Provide specific instances, if any.	

		<p><b>AREIT applies for, obtains, registers, leases, licenses or otherwise acquires to hold, use, own, operate, sell, assign and dispose of any trademark, tradename, trade secrets, formulas, patents, inventions, copyrights and processes used in connection with or secured under letters, patents, copyrights, domestic or foreign.</b></p> <p>Ref: pg 2 &gt; AREIT Articles of Incorporation &gt; Secondary Purpose &gt; Item 6</p> <p><a href="https://areit.com.ph/media/pages/our-company/articles-of-incorporation-and-by-laws/bf7dc38f0d-1614881628/areit-inc._amended-aoi-and-by-laws.pdf">https://areit.com.ph/media/pages/our-company/articles-of-incorporation-and-by-laws/bf7dc38f0d-1614881628/areit-inc._amended-aoi-and-by-laws.pdf</a></p> <p><b>AREIT maintains all its registered intellectual property rights through the submission of declarations of actual use before the Intellectual Property Office.</b></p> <p><b>AREIT respects the intellectual property rights of other entities it deals with. For example, AREIT's lease contracts contain provisions regarding protection of confidential information and intellectual property rights.</b></p>	
<b>Optional: Principle 14</b>			
1. Company discloses its policies and practices that address customers' welfare	Compliant	<p>Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same.</p> <p><b><i>Social Engagement (Tenants, Tenant Employees, Hotel Guests, and Shoppers)</i></b></p>	

		<p>Ref: pg 43 &gt; AREIT 2020 Integrated Report &gt; Social Engagement &gt; Tenants, Tenant Employees, Hotel Guests, and Shoppers</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Compliant	<p>Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same.</p> <p><b>Social Engagement (Business Partners, Suppliers and Service Providers)</b></p> <p>Ref: pg 44 &gt; AREIT 2020 Integrated Report &gt; Social Engagement &gt; Business Partners, Suppliers and Service Providers</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
<p><b>Principle 15:</b> A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.</p>			
<p><b>Recommendation 15.1</b></p>			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Compliant	<p>Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.</p> <p><b>Social Engagement (Employees and Workers)</b></p>	

		<p>Ref: pg 43 &gt; AREIT 2020 Integrated Report &gt; Social Engagement &gt; Employees and Workers</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
<b>Supplement to Recommendation 15.1</b>			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	Compliant	<p>Disclose if company has in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.</p> <p><b>Social Engagement (Compensation and Rewards)</b></p> <p>Ref: pg 43 &gt; AREIT 2020 Integrated Report &gt; Social Engagement &gt; Health and Safety</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	<p>Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any.</p> <p><b>Social Engagement (Heath and Safety)</b></p> <p>Ref: pg 43 &gt; AREIT 2020 Integrated Report &gt; Social Engagement &gt; Health and Safety</p> <p><a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	

		<a href="#">1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a>	
3. Company has policies and practices on training and development of its employees.	Compliant	<p>Disclose and provide information on policies and practices on training and development of employees. Include information on any training conducted or attended.</p> <p><b>Social Engagement (Employees and Workers)</b> Ref: pg 43 &gt; AREIT 2020 Integrated Report &gt; Social Engagement &gt; Employees and Workers <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
<b>Recommendation 15.2</b>			
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>Identify or provide link/reference to the company's policies, programs and practices on anti-corruption</p> <p><b>AREIT's anti-corruption programs and procedures</b> Ref: pg 59 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance &gt; Policies and Practices &gt; Anti-corruption programs and procedures <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></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>Identify how the board disseminated the policy and program to employees across the organization</p> <p><b><i>AREIT's employees are all seconded from ALI. ALI's Board, through the Human Resources office, puts emphasis on integrity as part of ALI's core values. This is part of the on-boarding program of new employees and is embedded in every level-based program as a refresher for tenured employees. In addition, each employee is mandated to submit a disclosure of possible conflicts of interest on an annual basis. The anti- corruption programs and procedures are likewise available on the ALI IR website.</i></b></p> <p><b><i>ALI's Code of Conduct and Business Ethics</i></b>  <a href="https://ir.ayalaland.com.ph/corporate-governance/code-of-conduct-and-ethics/">https://ir.ayalaland.com.ph/corporate-governance/code-of-conduct-and-ethics/</a></p>	
<p><b>Supplement to Recommendation 15.2</b></p>			
<p>1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.</p>	<p>Non-Compliant</p>	<p>Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices. Include any finding of violations of the company policy.</p>	<p><b><i>AREIT has yet to formal policies and penalties for employees involved in corrupt practices. As an affiliate of ALI, it adheres to and is covered by ALI's policies.</i></b>  <i>Ref: Code of Conduct and Ethics &gt; IR Website &gt; Corporate Governance</i>  <a href="https://ir.ayalaland.com.ph/corporate-governance/code-of-conduct-and-ethics/">https://ir.ayalaland.com.ph/corporate-governance/code-of-conduct-and-ethics/</a></p> <p><b><i>Business Integrity Program</i></b>  <a href="https://ir.ayalaland.com.ph/corporate-governance/ayala-land-business-integrity-program/">https://ir.ayalaland.com.ph/corporate-governance/ayala-land-business-integrity-program/</a></p>

			<p><b>Whistle Blower Policy</b>  <a href="https://ir.ayalaland.com.ph/corporate-governance/whistle-blower-policy/">https://ir.ayalaland.com.ph/corporate-governance/whistle-blower-policy/</a></p> <p><b>Business Gifts Policy</b>  <a href="https://ir.ayalaland.com.ph/corporate-governance/business-gifts-policy/">https://ir.ayalaland.com.ph/corporate-governance/business-gifts-policy/</a></p>
<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	<p>Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees.</p> <p>Indicate if the framework includes procedures to protect the employees from retaliation.  Provide contact details to report any illegal or unethical behavior.</p> <p><b>Whistleblowing Policy and Business Integrity Channel</b>  Ref: pg 59 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance &gt; Policies and Practices &gt; Anti-corruption procedures &gt; Whistleblowing, Business Integrity Channel  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant	<b>Refer to responses on Recommendation 15.3, Item 1.</b>	

3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	<p>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.</p> <p><b><i>The Business Integrity Channels of AREIT are part of the ALI Group. ALI's Business Integrity Channels are spearheaded by the Ayala Land Ethics Committee. The Ethics Committee has a direct reporting line to the Audit Committee of the Board.</i></b></p> <p>Ref: pg 59 &gt; AREIT 2020 Integrated Report &gt; Corporate Governance &gt; Policies and Practices &gt; Anti-corruption procedures &gt; Whistleblowing, Business Integrity Channel  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
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**Principle 16:** The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

**Recommendation 16.1**

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>Provide information or reference to a document containing information on the company's community involvement and environment-related programs.</p> <p><b><i>AREIT ensures that its interactions serve its environment and stakeholders in a positive and progressive manner</i></b></p> <p>Ref: pg 34 to 45 &gt; AREIT 2020 Integrated Report &gt; Sustainability Four Focus Areas  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p>	
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		<p><a href="#">1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p><b>As part of the ALI Group, AREIT participates in ALI's Community Involvement and Environment-related programs</b>  Ref: pg 78 to 79 &gt; ALI 2020 Integrated Report &gt; Sustainability Four Focus Areas  <a href="https://ir.ayalaland.com.ph/wp-content/uploads/2021/04/ALI-AR-2020-20210420_WEB-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2021/04/ALI-AR-2020-20210420_WEB-1.pdf</a></p> <p><b>Carbon Neutrality</b>  Ref: pg 88 to 89 &gt; ALI 2020 Integrated Report &gt; Environmental Stewardship &gt; Carbon Neutrality  <a href="https://ir.ayalaland.com.ph/wp-content/uploads/2021/04/ALI-AR-2020-20210420_WEB-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2021/04/ALI-AR-2020-20210420_WEB-1.pdf</a></p> <p><b>How we engage communities</b>  Ref: pg 106 to 107 &gt; ALI 2020 Integrated Report &gt; Social Engagement &gt; Communities and NGOs  <a href="https://ir.ayalaland.com.ph/wp-content/uploads/2021/04/ALI-AR-2020-20210420_WEB-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2021/04/ALI-AR-2020-20210420_WEB-1.pdf</a></p>	
<b>Optional: Principle 16</b>			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	Compliant	Identify or provide link/reference to policies, programs and practices to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development.	

		<p><b>AREIT ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development</b>  Ref: pg 34 to 41 &gt; AREIT 2020 Integrated Report &gt; Sustainability Four Focus Areas  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p><b>As part of the ALI Group, AREIT participates in ALI's Sustainable Development and Environment-related programs</b>  Ref: pg 76 to 77 &gt; ALI 2020 Integrated Report &gt; How We Create Value  <a href="https://ir.ayalaland.com.ph/wp-content/uploads/2021/04/ALI-AR-2020-20210420_WEB-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2021/04/ALI-AR-2020-20210420_WEB-1.pdf</a></p>	
2. Company exerts effort to interact positively with the communities in which it operates	Compliant	<p>Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.</p> <p><b>Contribution to Local Economic Development</b>  Ref: pg 43 &gt; AREIT 2020 Integrated Report &gt; Sustainability Four Focus Areas  <a href="https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf">https://areit.com.ph/media/pages/investor-relations/annual-reports/9576835edc-1620376034/2020-integrated-report-april-23-2021-revised-3-final.pdf</a></p> <p><b>Community Involvement and Environment-related programs</b>  Ref: pg 78 to 79 &gt; ALI 2020 Integrated Report &gt; Sustainability Four Focus Areas</p>	

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*[Signature page follows]*

**SIGNATURES**

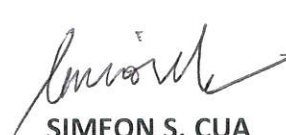
  
**JOSE EMMANUEL H. JALANDONI**  
Chairman of the Board

  
**CAROL T. MILLS**  
President and Chief Executive Officer

  
**ELAINE MARIE F. ALZONA**  
Chief Finance Officer and Chief Compliance  
Officer

  
**JUNE VEE D. MONTECLARO-NAVARRO**  
Assistant Corporate Secretary

  
**OMAR T. CRUZ**  
Lead Independent Director

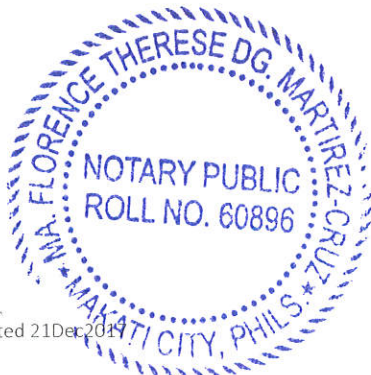
  
**SIMEON S. CUA**  
Independent Director


  
**ENRICO S. CRUZ**  
Independent Director

SUBSCRIBED AND SWORN to before me this 01 July 2021, affiants exhibiting to me their proof of identification as follows:

Jose Emmanuel H. Jalandoni	TIN: 151-188-576
Carol T. Mills	TIN: 146-677-551
June Vee D. Monteclaro-Navarro	TIN: 909-183-562
Elaine F. Alzona	TIN: 213-166-727
Omar T. Cruz	TIN: 106-904-138
Enrico S. Cruz	TIN: 106-968-932
Simeon S. Cua	TIN: 100-821-526

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Book No. XIV  
Series of 2021.



  
**MA. FLORENCE THERESE D.G. MARTIREZ-CRUZ**  
Notary Public - Makati City  
Appt. No. M-194 until December 31, 2021  
Roll of Attorneys No. 60896  
IBP No. 136246 - 12/21/2020 - Makati City  
PTR No. 8533969ME - 01/04/2021 - Makati City  
MCLE Compliance No. VI - 0009482 - 06/20/2018  
28th Floor, Tower One and Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City, Philippines

Notarial DST pursuant  
Sec.188 of the Tax Code  
affixed on Notary Public Seal

SEC Form - I-ACGR \* Updated 21 Dec 2019