

COVER SHEET

A S 9 3 0 0 0 0 2 3

SEC Registration Number

D I S C O V E R Y W O R L D C O R P O R A T I O N

(Company's Full Name)

S T A T I O N I B A L A B A G M A L A Y ,

A K L A N

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

ANNA FRANCESCA C. RESPICIO

8632-0905/10

Company Telephone Number

1 2

Month

3 1

Day

Fiscal Year

Month

Day

Annual Meeting

S E C F O R M I - A C G R

Form Type

Secondary License Type, if applicable

Department Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be Accomplished by SEC Personnel Concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended 31 December 2019
2. SEC Identification Number AS093-000023 3. BIR Tax Identification No. 003-822-183
4. Exact name of issuer as specified in its charter

DISCOVERY WORLD CORPORATION

(doing business under the names and styles of
Discovery Shores Boracay, Discovery Shores, Platitos Resto-Bar, Sands Lounge,
Indigo Resto-Bar, Sunken Pool Bar, Forno Osteria, Estate XI, and 360 Roof Lounge)

- Metro Manila, Philippines
5. Province, Country or other jurisdiction of incorporation or organization
6. Industry Classification Code (SEC Use Only)
- Station 1, Balabag, Malay, Aklan, Philippines 5608
7. Address of principal office Postal Code
- (02) 813-8857
8. Issuer's telephone number, including area code
- Not applicable
9. Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

| | COMPLIANT/ NON- COMPLIANT | ADDITIONAL INFORMATION | EXPLANATION |
|--|---------------------------------|--|-------------|
| The Board's Governance Responsibilities | | | |
| <p>Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.</p> | | | |
| Recommendation 1.1 | | | |
| 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: 1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors Reference: Profiles of the Members of the Board of Directors http://www.discovery.com.ph/board-of-directors.html 2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance Reference: Charter of the Board of Directors http://www.discovery.com.ph/Corporate-Governance.html | |
| 2. Board has an appropriate mix of competence and expertise. | COMPLIANT | | |
| 3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization. | COMPLIANT | | |
| Recommendation 1.2 | | | |
| 1. Board is composed of a majority of non-executive directors. | COMPLIANT | Identify or provide link/reference to a document identifying the directors and the type of their directorships Reference: Board of Directors and Board Committee Members June 05, 2019 http://www.discovery.com.ph/Corporate-Governance.html | |

Recommendation 1.3

| <p>1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.</p> | <p>COMPLIANT</p> | <p>Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.</p> <p>Please refer to the following: Charter of the Board of Directors – Qualifications for all Directors; and Manual on Corporate Governance – Board Evaluation, Training and Development. http://www.discovery.com.ph/Corporate-Governance.html</p> | | | | | | | | | | | | | | | | | |
|---|--------------------------|--|--|------------------|---------|----------------------|------------------|--------------------------|---------------------------------|--|----------------------|----------------------|---------------------|-------------------------|-----------------|-----------------|-------------------------|------------|--|
| <p>2. Company has an orientation program for first time directors.</p> | <p>COMPLIANT</p> | <p>Provide information or link/reference to a document containing information on the orientation program and training of directors for the previous year, including the number of hours attended and topics covered.</p> <p>Please refer to the Manual on Corporate Governance – Board Evaluation, Training and Development and Charter of the Board of Directors – Qualifications for all Directors http://www.discovery.com.ph/Corporate-Governance.html</p> <table border="1" data-bbox="996 817 1742 1158"> <thead> <tr> <th>Name</th> <th>Date of Training</th> <th>Program</th> <th>Training Institution</th> </tr> </thead> <tbody> <tr> <td>John Y. Tiu, Jr.</td> <td rowspan="8">July 26, 2019 4 hours</td> <td rowspan="8">Seminar on Corporate Governance</td> <td rowspan="8">Risks, Opportunities, Assessment and Management † (ROAM), Inc.</td> </tr> <tr> <td>Jose C. Parreño, Jr.</td> </tr> <tr> <td>Romualdo C. Macasaet</td> </tr> <tr> <td>Lamberto R. Villena</td> </tr> <tr> <td>Christopher John AD Tiu</td> </tr> <tr> <td>William L. Chua</td> </tr> <tr> <td>A Bayani K. Tan</td> </tr> <tr> <td>Elizabeth Ann C. Parpan</td> </tr> <tr> <td>Eric S. Yu</td> </tr> </tbody> </table> | Name | Date of Training | Program | Training Institution | John Y. Tiu, Jr. | July 26, 2019 4 hours | Seminar on Corporate Governance | Risks, Opportunities, Assessment and Management † (ROAM), Inc. | Jose C. Parreño, Jr. | Romualdo C. Macasaet | Lamberto R. Villena | Christopher John AD Tiu | William L. Chua | A Bayani K. Tan | Elizabeth Ann C. Parpan | Eric S. Yu | |
| Name | Date of Training | Program | Training Institution | | | | | | | | | | | | | | | | |
| John Y. Tiu, Jr. | July 26, 2019 4 hours | Seminar on Corporate Governance | Risks, Opportunities, Assessment and Management † (ROAM), Inc. | | | | | | | | | | | | | | | | |
| Jose C. Parreño, Jr. | | | | | | | | | | | | | | | | | | | |
| Romualdo C. Macasaet | | | | | | | | | | | | | | | | | | | |
| Lamberto R. Villena | | | | | | | | | | | | | | | | | | | |
| Christopher John AD Tiu | | | | | | | | | | | | | | | | | | | |
| William L. Chua | | | | | | | | | | | | | | | | | | | |
| A Bayani K. Tan | | | | | | | | | | | | | | | | | | | |
| Elizabeth Ann C. Parpan | | | | | | | | | | | | | | | | | | | |
| Eric S. Yu | | | | | | | | | | | | | | | | | | | |
| <p>3. Company has relevant annual continuing training for all directors.</p> | <p>COMPLIANT</p> | | | | | | | | | | | | | | | | | | |

| Recommendation 1.4 | | | |
|--|-----------|---|--|
| 1. Board has a policy on board diversity. | COMPLIANT | <p>Provide information on or link/reference to a document containing information on the company's board diversity policy.</p> <p>Please refer to the Manual on Corporate Governance – Governance Structure http://www.discovery.com.ph/Corporate-Governance.html</p> <p>Indicate gender composition of the board.</p> <p>The Board is composed of 8 male directors and 1 female director.</p> | |
| Optional: Recommendation 1.4 | | | |
| 1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives. | COMPLIANT | <p>Provide information on or link/reference to a document containing the company's policy and measurable objectives for implementing board diversity.</p> <p>Please refer to the Manual on Corporate Governance – Governance Structure http://www.discovery.com.ph/Corporate-Governance.html</p> <p>Provide link or reference to a progress report in achieving its objectives.</p> <p>The Board ensures that it maintains diversity in its composition.</p> | |

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| Recommendation 1.5 | | | | | | | | | | | |
|--|---------------------|---|--|------------------|---------|----------------------|----------------------------|---------------------|---------------------------------|--|--|
| 1. Board is assisted by a Corporate Secretary. | COMPLIANT | Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions. The Corporation's Corporate Secretary is Ms. Anna Francesca C. Respicio and its Compliance Officer is Mr. Charlie G. Ledesma. Ms. Respicio is not a member of the Board of Directors. | | | | | | | | | |
| 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 | Please refer to the Profile of the Corporate Secretary http://www.discovery.com.ph/key-officers.html Functions are set in the Manual on Corporate Governance – Officers, the Board Charter and the Board Committee Charters http://www.discovery.com.ph/Corporate-Governance.html | | | | | | | | | |
| 4. Corporate Secretary attends training/s on corporate governance. | COMPLIANT | Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered | | | | | | | | | |
| | | <table border="1"> <thead> <tr> <th>Name</th> <th>Date of Training</th> <th>Program</th> <th>Training Institution</th> </tr> </thead> <tbody> <tr> <td>Anna Francesca C. Respicio</td> <td>07/26/19 4 hours</td> <td>Seminar on Corporate Governance</td> <td>Risks, Opportunities, Assessment and Management (ROAM), Inc.</td> </tr> </tbody> </table> | Name | Date of Training | Program | Training Institution | Anna Francesca C. Respicio | 07/26/19 4 hours | Seminar on Corporate Governance | Risks, Opportunities, Assessment and Management (ROAM), Inc. | |
| Name | Date of Training | Program | Training Institution | | | | | | | | |
| Anna Francesca C. Respicio | 07/26/19 4 hours | Seminar on Corporate Governance | Risks, Opportunities, Assessment and Management (ROAM), Inc. | | | | | | | | |

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| Optional: Recommendation 1.5 | | | | | | | | | | | |
|---|---------------------|---|--|------------------|---------|----------------------|--------------------|---------------------|---------------------------------|--|--|
| 1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting. | COMPLIANT | Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting Please refer to the Secretary's Certificate attached to this report. | | | | | | | | | |
| Recommendation 1.6 | | | | | | | | | | | |
| 1. Board is assisted by a Compliance Officer. | COMPLIANT | Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions. The Compliance Officer is an Assistant Vice President, concurrently a Finance Manager, and is not a member of the Board. | | | | | | | | | |
| 2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation. | COMPLIANT | Please refer to the Profile of the Compliance Officer http://www.discovery.com.ph/key-officers.html Functions are set in Manual on Corporate Governance – Officers | | | | | | | | | |
| 3. Compliance Officer is not a member of the board. | COMPLIANT | http://www.discovery.com.ph/Corporate-Governance.html | | | | | | | | | |
| 4. Compliance Officer attends training/s on corporate governance. | COMPLIANT | Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered. | | | | | | | | | |
| | | <table border="1"> <thead> <tr> <th>Name</th> <th>Date of Training</th> <th>Program</th> <th>Training Institution</th> </tr> </thead> <tbody> <tr> <td>Charlle G. Ledesma</td> <td>07/26/19 4 hours</td> <td>Seminar on Corporate Governance</td> <td>Risks, Opportunities, Assessment and Management (ROAM), Inc.</td> </tr> </tbody> </table> | Name | Date of Training | Program | Training Institution | Charlle G. Ledesma | 07/26/19 4 hours | Seminar on Corporate Governance | Risks, Opportunities, Assessment and Management (ROAM), Inc. | |
| Name | Date of Training | Program | Training Institution | | | | | | | | |
| Charlle G. Ledesma | 07/26/19 4 hours | Seminar on Corporate Governance | Risks, Opportunities, Assessment and Management (ROAM), Inc. | | | | | | | | |

Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.

Recommendation 2.1

| | | | |
|---|------------------|--|--|
| <p>1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.</p> | <p>COMPLIANT</p> | <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>Please refer to the Secretary's Certificate attached to this report.</p> | |
|---|------------------|--|--|

Recommendation 2.2

| | | | |
|--|------------------|--|--|
| <p>1. Board oversees the development, review and approval of the company's business objectives and strategy.</p> | <p>COMPLIANT</p> | <p>Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting)</p> <p>Please refer to the Secretary's Certificate attached to this report.</p> | |
| <p>2. Board oversees and monitors the implementation of the company's business objectives and strategy.</p> | <p>COMPLIANT</p> | <p>Indicate frequency of review of business objectives and strategy</p> <p>The Board of Directors actively oversees the business and strategic plans of the Company. The Management updates the Board at least once a year.</p> | |

Supplement to Recommendation 2.2

| | | | |
|--|------------------|---|--|
| <p>1. Board has a clearly defined and updated vision, mission and core values.</p> | <p>COMPLIANT</p> | <p>Indicate or provide link/reference to a document containing the company's vision, mission and core values.</p> <p>Please refer to the Company's Vision and Mission http://www.discovery.com.ph/vision-and-mission.html</p> | |
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| | | <p>Please refer to attached Core Values.</p> <p>Indicate frequency of review of the vision, mission and core values.</p> <p>The Board reviews the vision and mission of the organization as it deems necessary. The Company's vision and mission was last reviewed during a workshop conducted on July 12, 2019.</p> | |
| 2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture. | COMPLIANT | <p>Provide information on or link/reference to a document containing information on the strategy execution process.</p> <p>The Board is guided by its strategy execution process as follows:</p> <ol style="list-style-type: none"> 1. Creation of a strategic plan which includes the Company's ultimate goal, steps, framework to keep the team involved focused, timetable and scheduling. 2. Engaging the Organization by communicating the strategy to Management and Employees. 3. Setting tangible goals for each involved department 4. Tracking and regular reporting of said goals. 5. Quality Check of the goals attained 6. Rewarding the team with incentives based on its performance. | |
| Recommendation 2.3 | | | |
| 1. Board is headed by a competent and qualified Chairperson. | COMPLIANT | <p>Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications</p> <p>Mr. John Y. Tiu, Jr. is the Chairman of the Board.</p> <p>Please refer to the Profile of the Chairman of the Board http://www.discovery.com.ph/board-of-directors.html</p> | |

| Recommendation 2.4 | | | |
|---|------------------|--|--|
| <p>1. Board ensures and adopts an effective succession planning program for directors, key officers and management.</p> | <p>COMPLIANT</p> | <p>Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation.</p> <p>Manual on Corporate Governance – Board of Directors Duties and Responsibilities</p> <p>http://www.discovery.com.ph/Corporate-Governance.html</p> <p>The Company's senior officers work closely with the CEO and the President, under the guidance of the Board of Directors, to ensure that they are given ample training and experience in running the Company. This approach exposes the senior officers to the day-to-day demands of Company operations.</p> | |
| <p>2. Board adopts a policy on the retirement for directors and key officers.</p> | <p>COMPLIANT</p> | <p>The Discovery World Multi-employer retirement plan established by the company provides retirement benefits for all eligible employees.</p> | |

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| Recommendation 2.5 | | | |
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| 1. Board aligns the remuneration of key officers and board members with long-term interests of the company. | COMPLIANT | <p>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.</p> <p>Please refer to the policy on remuneration in the Manual on Corporate Governance – Corporate Governance Committee Duties and Responsibilities http://www.discovery.com.ph/Corporate-Governance.html</p> | |
| 2. Board adopts a policy specifying the relationship between remuneration and performance. | NON-COMPLIANT | <p>A director is not allowed to participate in discussions or deliberations involving his own remuneration.</p> | <p>The compensation of directors is determined by the Board, keeping in mind the Company's culture, strategy and control environment. The determination of the compensation of key officers is approved by the Chairman.</p> |
| 3. Directors do not participate in discussions or deliberations involving his/her own remuneration. | COMPLIANT | | |

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| Optional: Recommendation 2.5 | | | |
|---|---------------|---|---|
| 1. Board approves the remuneration of senior executives. | NON-COMPLIANT | Provide proof of board approval. | The Corporate Governance Committee is in the process of adopting a policy for executive remuneration and fixing the remuneration packages for corporate officers and directors. The committee also oversees the remuneration of the senior management and key personnel to ensure that compensation levels are consistent with the corporation's culture, strategy and environment. |
| 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>Guidelines on job levels and position titles for promotion provides a framework to ensure alignment and consistency in the application of job levels and position titles across the organization, ensure that levels and position titles are relevant and reflective of actual roles/functions, provide a structured reference to develop and implement group-wide compensation and benefits, and create career development paths for all employees as part of the overall structure to the organizational succession.</p> <p>The performance appraisal form for leaders assesses leadership competency, behavior and attitude, and technical competency of the executive directors and senior executives.</p> | |

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| Recommendation 2.6 | | | |
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| 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 | Please refer to the Manual on Corporate Governance – Nomination and Election of Directors http://www.discovery.com.ph/Corporate-Governance.html | |
| 3. Board nomination and election policy includes how the company accepted nominations from minority shareholders. | COMPLIANT | Provide proof if minority shareholders have a right to nominate candidates to the board | |
| 4. Board nomination and election policy includes how the board shortlists candidates. | COMPLIANT | Please refer to the Manual on Corporate Governance – Formal and Transparent Board Nomination and Election Process http://www.discovery.com.ph/Corporate-Governance.html | |
| 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 | Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director. | |
| 6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company. | COMPLIANT | A Corporate Governance Committee Performance Assessment was conducted on November 27, 2019. , 2018. | |

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| Optional: Recommendation to 2.6 | | | |
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| 1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors. | NON-COMPLIANT | Identify the professional search firm used or other external sources of candidates. | The stockholders nominate all directors in accordance with the Company's By-Laws and Manual on Corporate Governance. The nominee is vetted by the Corporate Governance Committee before being elected as a member of the Board of Directors. |
| Recommendation 2.7 | | | |
| 1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions. | COMPLIANT | 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 Please refer to the Related Party Transactions Policy http://www.discovery.com.ph/Corporate-Governance.html | |
| 2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions. | COMPLIANT | Identify transactions that were approved pursuant to the policy. | |
| 3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations. | COMPLIANT | Related party transactions are discussed during Audit Committee meetings for the Board's approval and such discussion forms part of the minutes. | |

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| Supplement to Recommendations 2.7 | | | |
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| <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>Please refer to the Related Party Transactions (RPT) Policy http://www.discovery.com.ph/Corporate-Governance.html</p> <p>Provide information on RPT categories</p> <p>The Parent Company and its subsidiaries, whether owned directly or indirectly, shall follow the thresholds and categories for Disclosure and Approval of RPTs:</p> <ul style="list-style-type: none"> • Less than three percent (3%) of Total Assets of Parent or Subsidiary requires approval of the concerned entity's CEO or President; • Three percent (3%) of Total Assets and above of Parent or Subsidiary requires approval of concerned entity's Board of Directors. • Ten percent (10%) of Total Assets and above of Parent or Subsidiary requires approval of the concerned entity's Board. • Twenty percent (20%) of Total Assets and above of Parent or Subsidiary requires approval of concerned entity's Shareholders. | |
| <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> | NON-COMPLIANT | <p>Provide information on voting system, if any.</p> | <p>As of December 31, 2019, public ownership of the Corporation is at 25.64%. While there is no voting system to approve related party transactions, DWC</p> |

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| | | | adopts a policy of full disclosure with regard to related party transactions whereby all terms and conditions are reported to the Board of Directors and thereafter presented to the stockholders. |
| Recommendation 2.8 | | | |
| 1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive). | COMPLIANT | <p>Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management.</p> <p>Please refer to the Manual on Corporate Governance and Charter of the Board of Directors – Monitoring Managerial Performance & Overseeing Succession Planning of Key Officers and Management http://www.discovery.com.ph/Corporate-Governance.html</p> <p>Identity the Management team appointed</p> <p>Please refer to the Key Officers of the Organization http://www.discovery.com.ph/key-officers.html</p> | |
| 2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive). | 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>Please refer to the Manual on Corporate Governance and Charter of the Board of Directors – Monitoring Managerial Performance & Overseeing Succession Planning of Key Officers and Management http://www.discovery.com.ph/Corporate-Governance.html</p> | |

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| | | Provide information on the assessment process and indicate frequency of assessment of performance. The Board evaluates and monitors the implementation of its strategic policies, programs, business plans and operating budgets, including the Management's overall performance, annually. | |
| Recommendation 2.9 | | | |
| 1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management. | COMPLIANT | Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel. The Board is tasked to establish an effective performance management framework that will ensure that the Management, including the Chief Executive Officer, and personnel's performance is at par with the standards set by the Board and Senior Management. | |
| 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 | Please refer to Manual on Corporate Governance http://www.discovery.com.ph/Corporate-Governance.html | |
| Recommendation 2.10 | | | |
| 1. Board oversees that an appropriate internal control system is in place. | COMPLIANT | 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 | |
| 2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders. | COMPLIANT | Please refer to the Manual on Corporate Governance and Charter of the Board of Directors – Overseeing Internal Control, Audit and Risk Management http://www.discovery.com.ph/Corporate-Governance.html | |

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| 3. Board approves the Internal Audit Charter. | COMPLIANT | Provide reference or link to the company's Internal Audit Charter Please refer to attached Secretary's Certificate for the Board's approval of the Internal Audit Charter and Policy Statement. | |
| Recommendation 2.11 | | | |
| 1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks. | COMPLIANT | 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. Please refer to the Manual on Corporate Governance – General Responsibilities of the Board of Directors – Overseeing Internal Control, Audit and Risk Management http://www.discovery.com.ph/Corporate-Governance.html | |
| 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 | Provide proof of effectiveness of risk management strategies, if any. The Risk Officer and heads of the departments created a risk register which helps as a monitoring tool to manage the relevant risks to the company. | |
| Recommendation 2.12 | | | |
| 1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role. | COMPLIANT | Provide link to the company's website where the Board Charter is disclosed. Please refer to the Charter of the Board of Directors http://www.discovery.com.ph/Corporate-Governance.html#close | |
| 2. Board Charter serves as a guide to the directors in the performance of their functions. | COMPLIANT | | |
| 3. Board Charter is publicly available and posted on the company's website. | COMPLIANT | | |

| Additional Recommendation to Principle 2 | | | |
|---|-----------|---|--|
| 1. Board has a clear insider trading policy. | COMPLIANT | Provide information on or link/reference to a document showing company's insider trading policy. Please refer to the Company's Policies – Insider Trading Policy: http://www.discovery.com.ph/Corporate-Governance.html#close | |
| Optional: Principle 2 | | | |
| 1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates. | COMPLIANT | Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any. Please refer to the Related Party Transactions Policy http://www.discovery.com.ph/Corporate-Governance.html | |
| 2. Company discloses the types of decision requiring board of directors' approval. | COMPLIANT | Indicate the types of decision requiring board of directors' approval and where there are disclosed. Section 1, Article III of the Corporation's By-Laws provides the specific powers of the Board of Directors. | |

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

Recommendation 3.1

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| <p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p> | <p>COMPLIANT</p> | <p>Provide information or link/reference to a document containing information on all the board committees established by the company.</p> <p>Please refer to Board Committees – Board Committees and Member and Board Committee Charters http://www.discovery.com.ph/Corporate-Governance.html</p> | |
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Recommendation 3.2

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|---|------------------|--|----------------------|----------|------------------------------|--------|-----------------|--------|---------------------------|--------|--|
| <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>Please refer to the Audit Committee Charter http://www.discovery.com.ph/Corporate-Governance.html#openModal1</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>Please refer to the Audit Committee Charter – External Audit Oversight</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>The Audit Committee is composed of the following:</p> <table border="1" data-bbox="996 1252 1713 1399"> <tr> <td>William L. Chua (ID)</td> <td>Chairman</td> </tr> <tr> <td>Elizabeth Ann C. Parpan (ID)</td> <td>Member</td> </tr> <tr> <td>Eric S. Yu (ID)</td> <td>Member</td> </tr> <tr> <td>Romualdo C. Macasaet (ED)</td> <td>Member</td> </tr> </table> | William L. Chua (ID) | Chairman | Elizabeth Ann C. Parpan (ID) | Member | Eric S. Yu (ID) | Member | Romualdo C. Macasaet (ED) | Member | |
| William L. Chua (ID) | Chairman | | | | | | | | | | |
| Elizabeth Ann C. Parpan (ID) | Member | | | | | | | | | | |
| Eric S. Yu (ID) | Member | | | | | | | | | | |
| Romualdo C. Macasaet (ED) | Member | | | | | | | | | | |

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| <p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p> | <p>COMPLIANT</p> | <p>Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.</p> <p>Please refer to the profile of the members of the Audit Committee. (Mr. William L. Chua, Mr. Romualdo C. Macasaet, Ms. Elizabeth Ann C. Parpan and Mr. Eric S. Yu) http://www.discovery.com.ph/board-of-directors.html</p> | |
| <p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p> | <p>COMPLIANT</p> | <p>Provide information or link/reference to a document containing information on the Chairman of the Audit Committee</p> <p>Please refer to the profile of the Chairman of the Audit Committee (Mr. William L. Chua) http://www.discovery.com.ph/board-of-directors.html</p> | |
| <p>Supplement to Recommendation 3.2</p> | | | |
| <p>1. Audit Committee approves all non-audit services conducted by the external auditor.</p> | <p>COMPLIANT</p> | <p>Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.</p> <p>There were no non-audit services conducted by the external auditor for the Company.</p> | |
| <p>2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.</p> | <p>COMPLIANT</p> | <p>Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.</p> <p>Management is requested to step out during Audit Meetings to allow for the free dialogue between the Committee and the external auditor. Please see attached Secretary's Certificate.</p> | |

| Optional: Recommendation 3.2 | | | |
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| 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>The Audit Committee meets four times during the year.</p> <p>Please refer to the attached Secretary's Certificate as to the number of meetings of the Audit Committee for the year 2019.</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>Please see attached Secretary's Certificate as to appointment of the Corporation's Internal auditor.</p> | |

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Recommendation 3.3

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| <p>1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.</p> | <p>COMPLIANT</p> | <p>Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions</p> <p>Please refer to the Corporate Governance Committee Charter http://www.discovery.com.ph/Corporate-Governance.html#openModal1</p> <p>Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.</p> <p>The Corporate Governance Committee is responsible for ensuring that the Board has an appropriate mix of competence, expertise and diversity and that its members remain qualified for their positions individually and collectively; this would enable it to fulfill its roles and responsibilities and respond to the needs of the organization based on the evolving business environment and strategic direction.</p> | | | | | | | |
| <p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p> | <p>COMPLIANT</p> | <p>Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.</p> <p>The Corporate Governance Committee is composed of the following:</p> <table border="1" data-bbox="925 1310 1606 1417"> <tr> <td>Elizabeth Ann C. Parpan (ID)</td> <td>Chairman</td> </tr> <tr> <td>William L. Chua (ID)</td> <td>Member</td> </tr> <tr> <td>Eric S. Yu (ID)</td> <td>Member</td> </tr> </table> | Elizabeth Ann C. Parpan (ID) | Chairman | William L. Chua (ID) | Member | Eric S. Yu (ID) | Member | |
| Elizabeth Ann C. Parpan (ID) | Chairman | | | | | | | | |
| William L. Chua (ID) | Member | | | | | | | | |
| Eric S. Yu (ID) | Member | | | | | | | | |

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| | | <p>Please refer to the profile of the independent directors. http://www.discovery.com.ph/board-of-directors.html</p> | |
| <p>3. Chairman of the Corporate Governance Committee is an independent director.</p> | COMPLIANT | <p>Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.</p> <p>Ms. Elizabeth Ann C. Parpan, the Chairperson of the Corporate Governance Committee, is an independent director.</p> <p>Reference: Board of Directors and Board Committee Members June 05, 2019 http://www.discovery.com.ph/Corporate-Governance.html#close</p> | |
| Optional: Recommendation 3.3. | | | |
| <p>1. Corporate Governance Committee meet at least twice during the year.</p> | COMPLIANT | <p>Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.</p> <p>The Corporate Governance Committee convened on Feb. 26, May 14 and November 27, 2019. Please refer to the Secretary's Certificate attesting to the dates of meetings of the Corporate Governance Committee.</p> | |
| Recommendation 3.4 | | | |
| <p>1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.</p> | COMPLIANT | <p>Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions</p> <p>Please refer to the Board Risk Oversight Committee Charter http://www.discovery.com.ph/Corporate-Governance.html#openModal1</p> | |

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| <p>2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p> | <p>COMPLIANT</p> | <p>Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship</p> <p>The composition of the BROC is as follows:</p> <table border="1" data-bbox="925 268 1641 411"> <tr> <td>Eric S. Yu (ID)</td> <td>Chairman</td> </tr> <tr> <td>Elizabeth Ann C. Parpan (ID)</td> <td>Member</td> </tr> <tr> <td>William L. Chua (ID)</td> <td>Member</td> </tr> <tr> <td>Romualdo C. Macasaet (ED)</td> <td>Member</td> </tr> </table> <p>Please refer to Board of Directors and Board Committee Members June 05, 2019 http://www.discovery.com.ph/Corporate-Governance.html#close</p> | Eric S. Yu (ID) | Chairman | Elizabeth Ann C. Parpan (ID) | Member | William L. Chua (ID) | Member | Romualdo C. Macasaet (ED) | Member | |
| Eric S. Yu (ID) | Chairman | | | | | | | | | | |
| Elizabeth Ann C. Parpan (ID) | Member | | | | | | | | | | |
| William L. Chua (ID) | Member | | | | | | | | | | |
| Romualdo C. Macasaet (ED) | Member | | | | | | | | | | |
| <p>3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.</p> | <p>COMPLIANT</p> | <p>Provide information or link/reference to a document containing information on the Chairman of the BROC</p> <p>Please refer to the profile of the Chairman of the Board Risk Oversight Committee (Mr. Eric S. Yu) http://www.discovery.com.ph/board-of-directors.html</p> | | | | | | | | | |
| <p>4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.</p> | <p>COMPLIANT</p> | <p>Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.</p> <p>Please refer to the profile of the members of the BROC (Mr. Eric S. Yu, Ms. Elizabeth Ann C. Parpan, Mr. William L. Chua, and Mr. Romualdo C. Macasaet) http://www.discovery.com.ph/board-of-directors.html</p> | | | | | | | | | |

Recommendation 3.5

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| <p>1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.</p> | <p>COMPLIANT</p> | <p>Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.</p> | |
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| | | <p>The Audit Committee is tasked with reviewing all material related party transactions of the company. Reference: Audit Committee Charter http://www.discovery.com.ph/Corporate-Governance.html#openModal1</p> | | | | | | | | | |
| <p>2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.</p> | 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> <p>The Audit Committee is composed of the following:</p> <table border="1"> <tr> <td>William L. Chua (ID)</td> <td>Chairman</td> </tr> <tr> <td>Elizabeth Ann C. Parpan (ID)</td> <td>Member</td> </tr> <tr> <td>Eric S. Yu (ID)</td> <td>Member</td> </tr> <tr> <td>Romualdo C. Macasaet (ED)</td> <td>Member</td> </tr> </table> <p>Please refer to the Board Committees and Members June 05, 2019. http://www.discovery.com.ph/Corporate-Governance.html</p> | William L. Chua (ID) | Chairman | Elizabeth Ann C. Parpan (ID) | Member | Eric S. Yu (ID) | Member | Romualdo C. Macasaet (ED) | Member | |
| William L. Chua (ID) | Chairman | | | | | | | | | | |
| Elizabeth Ann C. Parpan (ID) | Member | | | | | | | | | | |
| Eric S. Yu (ID) | Member | | | | | | | | | | |
| Romualdo C. Macasaet (ED) | Member | | | | | | | | | | |
| Recommendation 3.6 | | | | | | | | | | | |
| <p>1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.</p> | 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> <p>Please refer to the Board Committee Charters http://www.discovery.com.ph/Corporate-Governance.html#openModal1</p> | | | | | | | | | |
| <p>2. Committee Charters provide standards for evaluating the performance of the Committees.</p> | COMPLIANT | | | | | | | | | | |

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| <p>3. Committee Charters were fully disclosed on the company's website.</p> | <p>COMPLIANT</p> | <p>Provide link to company's website where the Committee Charters are disclosed.</p> <p>Please refer to the Board Committee Charters http://www.discovery.com.ph/Corporate-Governance.html#openModal1</p> | |
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Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.

Recommendation 4.1

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| <p>1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.</p> | <p>COMPLIANT</p> | <p>Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings.</p> <p>Please refer to the Charter of the Board of Directors – Specific Duties of Each Director. http://www.discovery.com.ph/Corporate-Governance.html#close</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>Please refer to the Secretary's Certificate as to attendance of the Directors in meetings of the Board.</p> | |
| <p>2. The directors review meeting materials for all Board and Committee meetings.</p> | <p>COMPLIANT</p> | <p>The Board of Directors and Committee members are furnished copies of the materials at least 5 business days before the meeting.</p> | |
| <p>3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.</p> | <p>COMPLIANT</p> | <p>Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors</p> <p>Please refer to the Secretary's Certificate regarding questions/clarifications raised during Board and Committee Meetings.</p> | |

| Recommendation 4.2 | | | |
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| <p>1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.</p> | <p>COMPLIANT</p> | <p>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</p> <p>As the profile of the Board of Directors will show, most directors of the Company have very few concurrent directorships and officerships. Reference: http://www.discovery.com.ph/board-of-directors.html</p> <p>Policy is set in the Manual on Corporate Governance – Governance Structure - Multiple Board Seats http://www.discovery.com.ph/Corporate-Governance.html</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>Please refer to the profile of the directors. http://www.discovery.com.ph/board-of-directors.html</p> | |
| Recommendation 4.3 | | | |
| <p>1. The directors notify the company's board before accepting a directorship in another company.</p> | <p>COMPLIANT</p> | <p>Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.</p> <p>Ms. Elizabeth C. Parpan accepted two directorships for 2019:</p> <ol style="list-style-type: none"> 1. Prime Eastern Spring Holdings Inc. 2. Chan- Touei Properties Inc. <p>Please refer to the Secretary's Certificate containing the pertinent excerpt of the minutes of meeting of the Board.</p> | |

| Optional: Principle 4 | | | |
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| 1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group. | COMPLIANT | Mr. John Y. Tiu, Jr. is a director of I-Remit, Inc. | |
| 2. Company schedules board of directors' meetings before the start of the financial year. | COMPLIANT | Board meetings for the succeeding year were scheduled during the last meeting of the year. Further, schedules are consistently confirmed after the end of every meeting. | |
| 3. Board of directors meet at least six times during the year. | NON-COMPLIANT | Indicate the number of board meetings during the year and provide proof | Given the size of the organization, the Board of Directors only meets at least four times during the year, in accordance with its By-Laws. A special board meeting may be called upon in accordance with the provisions of the By-Laws. |
| 4. Company requires as minimum quorum of at least 2/3 for board decisions. | NON-COMPLIANT | Indicate the required minimum quorum for board decisions | Presence of majority of the Board, with at least one Independent Director present, is required when determining the quorum of a meeting. Reference: Charter of the Board of Directors – Board Meetings and Quorum Requirement http://www.discovery.com.ph/Corporate-Governance.html |

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

Recommendation 5.1

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| 1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher. | COMPLIANT | Provide information or link/reference to a document containing information on the number of independent directors in the board Please refer to the Board of Directors The company has three (3) independent directors. http://www.discovery.com.ph/board-of-directors.html | |
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Recommendation 5.2

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| 1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions. | COMPLIANT | Provide information or link/reference to a document containing information on the qualifications of the independent directors. Please refer to the profiles of the Independent Directors. http://www.discovery.com.ph/board-of-directors.html | |
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Supplement to Recommendation 5.2

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| 1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently. | COMPLIANT | Provide link/reference to a document containing information that directors are not constrained to vote independently. Please refer to the Corporation's By-Laws http://www.discovery.com.ph/about-us.html#openModal1 and Manual on Corporate Governance http://www.discovery.com.ph/Corporate-Governance.html Additionally, please refer to Secretary's Certificate as to the non-existence of any shareholders' agreement. | |
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Recommendation 5.3

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| <p>1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).</p> | COMPLIANT | <p>Provide information or link/reference to a document showing the years IDs have served as such.</p> <p>Ms. Elizabeth Ann c. Parpan has been an independent director since March 01, 2013. She may serve as Independent Director until 2022.</p> <p>Mr. William L. Chua assumed his position as Independent Director on April 03, 2018. He may serve as Independent Director until 2027.</p> <p>Finally, Mr. Eric S. Yu, was first elected as Independent Director on November 09, 2018. He may serve as Independent Director until 2027</p> <p>Please see attached Secretary's Certificate on the election of the Corporation's independent directors.</p> | |
| <p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p> | COMPLIANT | <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>Term limit of nine (9) years is set in the provisions for Nomination and Election of Directors in the Manual on Corporate Governance and Charter of the Board of Directors.</p> <p>http://www.discovery.com.ph/Corporate-Governance.html</p> | |

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| <p>3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.</p> | <p>COMPLIANT</p> | <p>Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.</p> <p>All Independent Directors have served for less than nine (9) years.</p> | |
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| <p>Recommendation 5.4</p> | | | |
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| <p>1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.</p> | <p>NON-COMPLIANT</p> | <p>Identify the company's Chairman of the Board and Chief Executive Officer</p> <p>The Chairman of the Board and Chief Executive Officer (CEO) is Mr. John Y. Tiu, Jr.</p> | <p>Though the positions of Chairman and CEO are held by one person, proper checks and balances have been laid down to ensure that the Board still benefits from independent views and perspectives.</p> <p>One of which is the appointment of a Lead Director among the independent directors to avoid the abuse of power and authority, and potential conflicts of interest.</p> |
| <p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p> | <p>COMPLIANT</p> | <p>Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer.</p> | |

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| | | <p>Please refer to the Manual on Corporate Governance – Officers – Chairman of the Board and Chief Executive Officer – Roles and Responsibilities. http://www.discovery.com.ph/Corporate-Governance.html</p> <p>Identify the relationship of Chairman and CEO.</p> <p>The positions of Chairman and CEO are held by the same person.</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> | COMPLIANT | <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>Please refer to the Manual on Corporate Governance – Officers – Lead Independent Director – Roles and Responsibilities. http://www.discovery.com.ph/Corporate-Governance.html</p> <p>Indicate if Chairman is independent.</p> <p>The Chairman of the Board is not an independent director.</p> | |
| Recommendation 5.6 | | | |
| <p>1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.</p> | COMPLIANT | <p>Provide proof of abstention, if this was the case.</p> <p>There were no transactions involving directors with material interests thereto. As such, no abstention occurred during the period covered.</p> | |

| Recommendation 5.7 | | | |
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| 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 | Provide proof and details of said meeting, if any. Provide information on the frequency and attendees of meetings. | |
| 2. The meetings are chaired by the lead independent director. | COMPLIANT | Please see Secretary's Certificate on the meeting held by the Non-Executive Directors on 2 December 2019 | |
| Optional: Principle 5 | | | |
| 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 The Company's CEO for the past two years is Mr. John Y. Tiu, Jr. He has been CEO of the company since 2018, and was the president of the Company exercising CEO functions since 2011. | |

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

Recommendation 6.1

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| 1. Board conducts an annual self-assessment of its performance as a whole. | COMPLIANT | <p>Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees</p> <p>The Board conducted its self-assessment on December 2, 2019. Please see attached Secretary's Certificate.</p> <p>For 2020, the company aims to engage an external facilitator to assist the Board in conducting an assessment</p> | |
| 2. The Chairman conducts a self-assessment of his performance. | COMPLIANT | | |
| 3. The individual members conduct a self-assessment of their performance. | COMPLIANT | | |
| 4. Each committee conducts a self-assessment of its performance. | COMPLIANT | | |
| 5. Every three years, the assessments are supported by an external facilitator. | COMPLIANT | | |

Recommendation 6.

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| 1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees. | COMPLIANT | 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. | |
| 2. The system allows for a feedback mechanism from the shareholders. | COMPLIANT | <p>The Manual on Corporate Governance serves as the minimum criteria in determining the performance of the Board, individual directors and committees.</p> <p>Please refer to Manual on Corporate Governance http://www.discovery.com.ph/Corporate-Governance.html</p> | |

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

Recommendation 7.1

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| <p>1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.</p> | <p>COMPLIANT</p> | <p>Provide information on or link/reference to the company's Code of Business Conduct and Ethics.</p> <p>Please refer to Code of Business Conduct and Ethics http://www.discovery.com.ph/Corporate-Governance.html#close</p> | |
| <p>2. The Code is properly disseminated to the Board, senior management and employees.</p> | <p>COMPLIANT</p> | <p>Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.</p> <p>The directors, members of senior management and employees were furnished copies of the Company's Code of Ethics upon assumption of their respective positions in the Company. The Code is publicly available on the Company's website.</p> | |
| <p>3. The Code is disclosed and made available to the public through the company website.</p> | <p>COMPLIANT</p> | <p>Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed.</p> <p>Please refer to Code of Business Conduct and Ethics http://www.discovery.com.ph/Corporate-Governance.html#close</p> | |

Supplement to Recommendation 7.1

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| <p>1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.</p> | <p>COMPLIANT</p> | <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>The Company desires to strengthen its integrity and the fight against corruption and related offenses. The Code of Business Conduct and Ethics sets forth the conditions and procedures for investigations of allegations of corruption, fraud and misconduct.</p> <p>Reference: Code of Business Conduct and Ethics http://www.discovery.com.ph/Corporate-Governance.html#close</p> | |
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| Recommendation 7.2 | | | |
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| <p>1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.</p> | <p>COMPLIANT</p> | <p>Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.</p> <p>Please refer to the attached certification by the Human Resources Manager.</p> <p>Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.</p> <p>All employees are mandated to report any violation of the Company's Code of Business Conduct and Ethics to the Compliance Officer, to the Human Resources Department Head, or to any member of the Audit Committee. Reference: Code of Business Conduct and Ethics http://www.discovery.com.ph/Corporate-Governance.html#close</p> | |
| <p>2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.</p> | <p>COMPLIANT</p> | <p>All employees are mandated to report any violation of the Company's Code of Business Conduct and Ethics to the Compliance Officer, to the Human Resources Department Head, or to any member of the Audit Committee. Reference: Code of Business Conduct and Ethics http://www.discovery.com.ph/Corporate-Governance.html#close</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

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| 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>Please refer to the Manual on Corporate Governance – Reportorial Requirements and Disclosure System. http://www.discovery.com.ph/Corporate-Governance.html</p> | |
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Supplement to Recommendations 8.1

| 1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period. | NON-COMPLIANT | <p>Indicate the number of days within which the consolidated and interim reports were published, distributed or made available from the end of the fiscal year and end of the reporting period, respectively.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">Publishing Date</th> <th style="text-align: center;">No. of Days</th> </tr> </thead> <tbody> <tr> <td>2018 Annual Report</td> <td style="text-align: center;">16 Apr 2019</td> <td style="text-align: center;">106</td> </tr> <tr> <td>Quarterly Report</td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">1st Qtr</td> <td style="text-align: center;">15 May 2019</td> <td style="text-align: center;">45</td> </tr> <tr> <td style="padding-left: 20px;">2nd Qtr</td> <td style="text-align: center;">15 Aug 2019</td> <td style="text-align: center;">45</td> </tr> <tr> <td style="padding-left: 20px;">3rd Qtr</td> <td style="text-align: center;">15 Nov 2019</td> <td style="text-align: center;">46</td> </tr> </tbody> </table> <p>Reference: Company Disclosures http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=647</p> | | Publishing Date | No. of Days | 2018 Annual Report | 16 Apr 2019 | 106 | Quarterly Report | | | 1st Qtr | 15 May 2019 | 45 | 2nd Qtr | 15 Aug 2019 | 45 | 3rd Qtr | 15 Nov 2019 | 46 | <p>The Company is compliant with regulations of the Securities and Exchange Commission and Philippine Stock Exchange as to the disclosures of its annual and quarterly financial reports.</p> |
|--|-----------------|---|---|-----------------|-------------|--------------------|-------------|-----|------------------|--|--|---------|-------------|----|---------|-------------|----|---------|-------------|----|---|
| | Publishing Date | No. of Days | | | | | | | | | | | | | | | | | | | |
| 2018 Annual Report | 16 Apr 2019 | 106 | | | | | | | | | | | | | | | | | | | |
| Quarterly Report | | | | | | | | | | | | | | | | | | | | | |
| 1st Qtr | 15 May 2019 | 45 | | | | | | | | | | | | | | | | | | | |
| 2nd Qtr | 15 Aug 2019 | 45 | | | | | | | | | | | | | | | | | | | |
| 3rd Qtr | 15 Nov 2019 | 46 | | | | | | | | | | | | | | | | | | | |
| 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 | NON-COMPLIANT | <p>Provide link or reference to the company's annual report where the following are disclosed:</p> <ol style="list-style-type: none"> 1. principal risks to minority shareholders associated with the identity of the company's controlling shareholders; 2. cross-holdings among company affiliates; and | <p>The Company is compliant with the regulations of the Securities and Exchange Commission and Philippine Stock</p> | | | | | | | | | | | | | | | | | | |

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| controlling shareholders' voting power and overall equity position in the company. | | 3. any imbalances between the controlling shareholders' voting power and overall equity position in the company. | Exchange as to the disclosures of its annual and quarterly financial reports. |
| Recommendation 8.2 | | | |
| 1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days. | COMPLIANT | <p>Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share.</p> <p>Please refer to the Manual on Corporate Governance – Reportorial Requirements and Disclosure System http://www.discovery.com.ph/Corporate-Governance.html</p> | |
| 2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days. | COMPLIANT | <p>Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.</p> <p>Mr. John Y. Tiu, through JT Perle Corporation, acquired 35,000 DWC shares or 0.005% of the total outstanding capital stock of the corporation, on April 19 and 23, 2018</p> <p>Ruben C. Tiu, through Demikk Holdings, Inc., disposed 250,000 DWC shares or 0.04% of the total outstanding capital stock of the corporation, on January 30 and February 28, 2018</p> <p>Mr. Ruben C. Tiu stepped down as Chairman and member of the Board on November 9, 2018.</p> | |
| Supplement to Recommendation 8.2 | | | |
| 1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase | COMPLIANT | Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders. | |

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| <p>of its shares from the market (e.g. share buy-back program).</p> | | <p>Reference: Top 100 Stockholders http://www.discovery.com.ph/investor-relations.html#openModal7</p> <p>Provide link or reference to the company's Conglomerate Map.</p> <p>Please refer to the Company's Conglomerate Map http://www.discovery.com.ph/about-us.html</p> | |
| Recommendation 8.3 | | | |
| <p>1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p> | <p>COMPLIANT</p> | <p>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>Please refer to the profiles of the:</p> <p>Members of the Board of Directors http://www.discovery.com.ph/board-of-directors.html,</p> <p>Shareholders' list http://www.discovery.com.ph/investor-relations.html#openModal7</p> <p>Public Ownership Report http://www.discovery.com.ph/investor-relations.html</p> | |
| <p>2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p> | <p>COMPLIANT</p> | <p>Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</p> <p>Please refer to the Key Officers' profile http://www.discovery.com.ph/key-officers.html</p> <p>and Public Ownership Report http://www.discovery.com.ph/investor-relations.html</p> | |

| Recommendation 8.4 | | | |
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| <p>1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.</p> | <p>COMPLIANT</p> | <p>Disclose or provide link/reference to the company policy and practice for setting board remuneration</p> <p>According to the By-Laws of the Company, by resolution of the Board, each director shall receive a reasonable per diem allowance for his attendance of every meeting of the Board. As compensation, the Board shall receive and allocate an amount of not more than ten percent (10%) of the net income before income tax of the Company during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of the stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders.</p> | |
| <p>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>The Corporate Governance Committee is responsible for the establishment of a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the Company's culture and strategy as well as the business environment in which it operates.</p> <p>Reference: Corporate Governance Committee Charter http://www.discovery.com.ph/Corporate-Governance.html#openModal1</p> | |

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| <p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p> | <p>NON-COMPLIANT</p> | <p>Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.</p> | <p>The Company strives to ensure that it provides appropriate and fair wages for its employees in an effort to retain, motivate and provide maximum benefit for them. Wages and other forms of compensation are determined based on a large number of factors, which may not be immediately apparent to every employee (e.g. performance reviews, years of experience, years worked at the Company etc.). Thus, it is the policy of the Company to establish the importance of discretion and confidentiality in terms of salary information.</p> <p>For purposes of transparency, however, the Company has disclosed the aggregate amount of remuneration of its top Management.</p> |
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| Recommendation 8.5 | | | |
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| <p>1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.</p> | COMPLIANT | <p>Disclose or provide reference/link to company's RPT policies</p> <p>Please refer to the Related Party Transactions Policy http://www.discovery.com.ph/Corporate-Governance.html</p> <p>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</p> <p>No instance requiring the above.</p> | |
| <p>2. Company discloses material or significant RPTs reviewed and approved during the year.</p> | 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"> 1. name of the related counterparty; 2. relationship with the party; 3. transaction date; 4. type/nature of transaction; 5. amount or contract price; 6. terms of the transaction; 7. rationale for entering into the transaction; 8. the required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and 9. other terms and conditions <p>Related Party Transactions (RPTs) are disclosed in the Annual Report submitted to the SEC.</p> <p>Please refer to Company's 2018 Annual Report discovery.com.ph/investor-relations.html#openModal1</p> <p>All reviewed and approved RPTs for the previous year are documented in the Audit Committee's minutes of meeting.</p> | |

| Supplement to Recommendation 8.5 | | | |
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| <p>1. Company requires directors to disclose their interests in transactions or any other conflict of interests.</p> | <p>COMPLIANT</p> | <p>Indicate where and when directors disclose their interests in transactions or any other conflict of interests.</p> <p>The Board shall commit, at all times, to fully disclose material information dealings. It shall cause the filing of all required information for the interest of the stakeholders through the proper procedures adopted by the Philippine Stock Exchange and by the SEC.</p> <p>Reference: Manual on Corporate Governance – Reportorial Requirements and Disclosure System http://www.discovery.com.ph/Corporate-Governance.html</p> | |
| Optional : Recommendation 8.5 | | | |
| <p>1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.</p> | <p>COMPLIANT</p> | <p>Provide link or reference where this is disclosed, if any</p> <p>Related Party Transactions are disclosed in the Annual Report submitted to the SEC.</p> <p>http://www.discovery.com.ph/investor-relations.html#openModal1</p> | |
| Recommendation 8.6 | | | |
| <p>1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.</p> | <p>COMPLIANT</p> | <p>Provide link or reference where this is disclosed</p> <p>The disclosures are made through "Company Disclosures" at the PSE Edge portal. (Acquisition or Disposition of Shares of Another Corporation)</p> <p>http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=647</p> | |

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| <p>2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.</p> | <p>COMPLIANT</p> | <p>Identify independent party appointed to evaluate the fairness of the transaction price</p> <p>There were no material transactions in 2019 requiring the appointment of an independent party to evaluate the fairness of the transaction price.</p> <p>Disclose the rules and procedures for evaluating the fairness of the transaction price, if any.</p> | |
| <p>Supplement to Recommendation 8.6</p> | | | |
| <p>1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.</p> | <p>COMPLIANT</p> | <p>Provide link or reference where these are disclosed.</p> <p>Please refer to the attached Secretary's Certificate as to the non-existence of shareholders' agreements, voting trust agreements, etc. registered with the Corporate Secretary.</p> | |
| <p>Recommendation 8.7</p> | | | |
| <p>1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).</p> | <p>COMPLIANT</p> | <p>Provide link to the company's website where the Manual on Corporate Governance is posted.</p> <p>Company's Website: Manual on Corporate Governance and Annexes submitted to SEC on May 31, 2017</p> | |
| <p>2. Company's MCG is submitted to the SEC and PSE.</p> | <p>COMPLIANT</p> | <p>http://www.discovery.com.ph/Corporate-Governance.html</p> | |
| <p>3. Company's MCG is posted on its company website.</p> <p>4.</p> | <p>COMPLIANT</p> | | |
| <p>Supplement to Recommendation 8.7</p> | | | |
| <p>1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.</p> | <p>COMPLIANT</p> | <p>Provide proof of submission.</p> <p>Manual on Corporate Governance and Annexes were submitted to the SEC on May 31, 2017. Please see attached receiving copy.</p> | |

| Optional: Principle 8 | | | |
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| 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. Please refer to the Company's Annual Report (SEC-17-A) http://www.discovery.com.ph/investor-relations.html#openModal1 | |
| a. Corporate Objectives | COMPLIANT | | |
| b. Financial performance indicators | COMPLIANT | | |
| c. Non-financial performance indicators | COMPLIANT | | |
| d. Dividend Policy | NON-COMPLIANT | | The dividend policy is stated in the Information Statement and distributed to the stockholders before the Annual Stockholders' meeting. |
| 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 | NON-COMPLIANT | | The Company's Annual Report is compliant with SEC Form 17-A. |
| g. Total remuneration of each member of the board of directors | NON-COMPLIANT | The Company strives to ensure that it provides appropriate and fair remuneration to its directors in an effort to retain, motivate and provide maximum benefits for them. Policy on the compensation for directors is stated on the Annual Report. Compensation is determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of the stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders. | |

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| | | | For purposes of transparency, however, the Company has disclosed the aggregate amount of remuneration of its top Management. |
| 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 | Provide link or reference to where this is contained in the Annual Report Part IV of the Annual Report (SEC Form 17-A) discloses the Company's compliance on Corporate Governance. http://www.discovery.com.ph/investor-relations.html#openModal1 | |
| 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 | Provide link or reference to where this is contained in the Annual Report Statement of Effectiveness of Risk Management System is part of the Annual Corporate Governance Report. http://www.discovery.com.ph/Corporate-Governance.html | |
| 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 | Provide link or reference to where this is contained in the Annual Report Statement of Effectiveness of Internal Control System is part of the Annual Corporate Governance Report. http://www.discovery.com.ph/Corporate-Governance.html | |
| 5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).company discloses in the Annual Report | COMPLIANT | Provide link or reference to where these are contained in the Annual Report Please refer to the Company's Annual Report (SEC Form 17-A). http://www.discovery.com.ph/investor-relations.html#openModal1 | |

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

Recommendation 9.1

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| <p>1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.</p> | <p>COMPLIANT</p> | <p>Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.</p> <p>Please refer to the Audit Committee Charter – External Audit Oversight http://www.discovery.com.ph/Corporate-Governance.html#openModal1</p> | |
| <p>2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.</p> | <p>COMPLIANT</p> | <p>Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.</p> <p>The re-appointment of Reyes Tacandong and Co. was approved by 76.39% of the stockholders in the Annual Stockholders' Meeting on June 05, 2019. Please refer to the Audit Committee Charter http://www.discovery.com.ph/investor-relations.html#openModal5</p> | |
| <p>3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.</p> | <p>COMPLIANT</p> | <p>Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.</p> <p>There was no change of external auditor from the previous year.</p> | |

Supplement to Recommendation 9.1

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| <p>1. Company has a policy of rotating the lead audit partner every five years.</p> | <p>COMPLIANT</p> | <p>Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years.</p> | |
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| | | <p>The Company complies with SRC Rule 68 on the rotation of lead audit partner every five (5) years.</p> <p>Mr. Arthur Vinson U. Ong of Reyes Tacandong & Co. took the role of lead audit partner in 2019 from Ms. Carolina P. Angeles of the same firm who had been the lead audit partner from 2013 to 2018.</p> | |
| Recommendation 9.2 | | | |
| <p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <p>i. assessing the integrity and independence of external auditors;</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> | COMPLIANT | <p>Provide link/reference to the company's Audit Committee Charter</p> <p>Please refer to the Audit Committee Charter – External Audit Oversight http://www.discovery.com.ph/Corporate-Governance.html#openModal1</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>Please refer to the Audit Committee Charter – External Audit Oversight http://www.discovery.com.ph/Corporate-Governance.html#openModal1</p> | |
| Supplement to Recommendations 9.2 | | | |
| <p>1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.</p> | COMPLIANT | <p>Provide link/reference to the company's Audit Committee Charter</p> <p>Reference: Audit Committee Charter – External Audit Oversight http://www.discovery.com.ph/Corporate-Governance.html#openModal1</p> | |

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| 2. Audit Committee ensures that the external auditor has adequate quality control procedures. | COMPLIANT | Provide link/reference to the company's Audit Committee Charter Reference: Audit Committee Charter – External Audit Oversight http://www.discovery.com.ph/Corporate-Governance.html#openModal1 | |
| Recommendation 9.3 | | | |
| 1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest. | COMPLIANT | Disclose the nature of non-audit services performed by the external auditor, if any. There were no non-audit services conducted by the external auditor for the Company for 2019. | |
| 2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity. | COMPLIANT | Provide link or reference to guidelines or policies on non-audit services. The Audit Committee is tasked to develop and implement a policy on the engagement of the External Auditor for the supply of non-audit services, taking into account relevant ethical guidelines on the provision of non-audit services by the External Audit Firm. The committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The nature of non-audit work, if allowed, should be disclosed in the Company's Annual Report and Annual Corporate Governance Report; Reference: Audit Committee Charter – External Audit Oversight http://www.discovery.com.ph/Corporate-Governance.html#openModal1 | |
| Supplement to Recommendation 9.3 | | | |
| 1. Fees paid for non-audit services do not outweigh the fees paid for audit services. | COMPLIANT | Provide information on audit and non-audit fees paid. There were no non-audit services conducted by the external auditor for the Company for 2019 | |

| Additional Recommendation to Principle 9 | | | |
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| <p>1. Company's external auditor is duly accredited by the SEC under Group A category.</p> | <p>COMPLIANT</p> | <p>Provide information on company's external auditor, such as:</p> <ol style="list-style-type: none"> 1. Name of the audit engagement partner; Arthur Vinson U. Ong 2. Accreditation number; SEC Accreditation No. 1752-A 3. Date Accredited; May 7, 2019 4. Expiry date of accreditation: May 6, 2022; and 5. Name, address, contact number of the audit firm. Reyes Tacandong & Co. Citibank Tower 8741 Paseo de Roxas, Makati City 1226 Philippines Phone: +632 8 982 9100; Fax: +632 8 982 9111 SEC Accreditation No. 0207-FR-3 (Group A) August 29, 2019, Valid until August 28, 2022 | |
| <p>2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).</p> | <p>NON-COMPLIANT</p> | <p>Provide information on the following:</p> <ol style="list-style-type: none"> 1. Date it was subjected to SOAR inspection, if subjected – Not yet subject to SOAR; 2. Name of the Audit firm – Reyes Tacandong & Co.; and 3. Members of the engagement team inspected by the SEC– Not yet subject to SOAR. | <p>Reyes Tacandong & Co. is willing to be subjected to SOAR if selected by the SEC.</p> |

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Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.

Recommendation 10.1

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| <p>1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.</p> | <p>COMPLIANT</p> | <p>Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.</p> <p>Please refer to Social, Environment, Health and Safety Policy. http://www.discovery.com.ph/Corporate-Governance.html</p> <p>The company also established Guidelines on Sustainability Reporting for the disclosure of its economic, environmental and social impacts.</p> | |
| <p>2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.</p> | <p>COMPLIANT</p> | <p>Provide link to Sustainability Report, if any. Disclose the standards used.</p> <p>Please refer to Company's Annual Report (SEC-17-A 2019) http://www.discovery.com.ph/investor-relations.html#openModal1</p> <p>Please refer to Corporate Social Responsibility. http://www.discovery.com.ph/Corporate-Governance.html</p> | |

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

Recommendation 11.1

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| <p>1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.</p> | <p>COMPLIANT</p> | <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>The existing official website is a cost-efficient channel of communication. Company disclosures are also on the PSE Edge site. http://edge.pse.com.ph/companyDisclosures/form.do?company_id=647</p> | |
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Supplemental to Principle 11

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| <p>1. Company has a website disclosing up-to-date information on the following:</p> | <p>COMPLIANT</p> | <p>Provide link to company website.</p> <p>Please refer to Company's Website – Investor Relations - Disclosure http://www.discovery.com.ph/index.html</p> <p>and/ or Company Disclosures at the PSE Edge http://edge.pse.com.ph/companyDisclosures/form.do?company_id=647</p> | |
| <p>a. Financial statements/reports (latest quarterly)</p> | <p>COMPLIANT</p> | | |
| <p>b. Materials provided in briefings to analysts and media</p> | <p>COMPLIANT</p> | | |
| <p>c. Downloadable annual report</p> | <p>COMPLIANT</p> | | |
| <p>d. Notice of ASM and/or SSM</p> | <p>COMPLIANT</p> | | |
| <p>e. Minutes of ASM and/or SSM</p> | <p>COMPLIANT</p> | | |
| <p>f. Company's Articles of Incorporation and By-Laws</p> | <p>COMPLIANT</p> | | |

Additional Recommendation to Principle 11

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| <p>1. Company complies with SEC-prescribed website template.</p> | <p>COMPLIANT</p> | <p>Please refer to Company Website http://www.discovery.com.ph/index.html</p> | |
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Internal Control System and Risk Management Framework

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

Recommendation 12.1

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| <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. Internal Audit provides full, general, spot, situational and follow-up audit services.</p> <p>Indicate frequency of review of the internal control system. Review of the internal control system is done on an annual basis, at the very least</p> <p>Reference: Internal Audit Policy Statement</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>Please refer to the Enterprise Risk Management Policy http://www.discovery.com.ph/Corporate-Governance.html</p> <p>Provide information or reference to a document containing information on:</p> <ol style="list-style-type: none"> 1. Company's risk management procedures and processes 2. Key risks the company is currently facing 3. How the company manages the key risks <p>Key risks are disclosed in the Consolidated Audited Financial Reports. http://www.discovery.com.ph/investor-relations.html#openModal1</p> <p>Indicate frequency of review of the enterprise risk management framework.</p> | |

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| | | The Enterprise Risk Management Policy was approved on August 10, 2018. The policy shall be reviewed at least every two years to ensure alignment and relevance to any significant changes in the professional, regulatory, governance and any other environments that affect functionality of risk management processes. | |
| Supplement to Recommendations 12.1 | | | |
| 1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances. | COMPLIANT | Provide information on or link/reference to a document containing the company's compliance program covering compliance with laws and relevant regulations. Please see Part XI of the Corporation's Manual on Corporate Governance. http://www.discovery.com.ph/Corporate-Governance.html Indicate frequency of review. The compliance program is reviewed annually. | |
| Optional: Recommendation 12.1 | | | |
| 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. | COMPLIANT | Provide information on IT governance process. The Company adopts safeguards to protect its computer network against data loss or accidental, unlawful or unauthorized access, which can affect the integrity of any data in the system. The Company also encrypts important data during storage and while in transit and has established an authentication process. Due to security reasons, the Company cannot disclose details on the said processes. | |
| Recommendation 12.2 | | | |
| 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. | COMPLIANT | Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm. Internal audit is in-house. | |

| Recommendation 12.3 | | | |
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| 1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board. | COMPLIANT | Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities. Please refer to the Manual on Corporate Governance – Officers – Internal Auditor http://www.discovery.com.ph/Corporate-Governance.html | |
| 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 | No outsourced internal audit activity for 2019. | |
| 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 | Identify qualified independent executive or senior management personnel, if applicable. Not applicable. Internal audit is in-house. | |
| Recommendation 12.4 | | | |
| 1. Company has a separate risk management function to identify, assess and monitor key risk exposures. | COMPLIANT | Provide information on company's risk management function. The Board Risk Oversight Committee assists the Board in overseeing the Company's practices and processes relating to risk assessment and risk management. The company's Chief Risk Officer performs identification, assessment, monitoring of key risk exposures guided by the framework developed with the assistance of a risk management consultant. Please refer to the Board Risk Oversight Committee Charter. http://www.discovery.com.ph/Corporate-Governance.html#openModal1 | |

| Supplement to Recommendation 12.4 | | | |
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| 1. Company seeks external technical support in risk management when such competence is not available internally. | COMPLIANT | <p>Identify source of external technical support, if any.</p> <p>The Company engaged a third party risk management consultant under the supervision of the Chief Risk Officer.</p> <p>Risk engineering surveys are conducted by the company's insurance broker under the supervision of the Risk Officer.</p> | |
| Recommendation 12.5 | | | |
| 1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM). | COMPLIANT | <p>Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.</p> <p>Please refer to the Manual on Corporate Governance – Officers – Chief Risk Officer http://www.discovery.com.ph/Corporate-Governance.html</p> | |
| 2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities. | COMPLIANT | <p>The CRO functionally reports to the Board Risk Oversight Committee and administratively reports to the President and/or Chief Financial Officer.</p> <p>Reference: Enterprise Risk management Policy – Risk Management Structure http://www.discovery.com.ph/Corporate-Governance.html</p> | |
| Additional Recommendation to Principle 12 | | | |
| 1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively. | COMPLIANT | <p>Provide link to CEO and CAE's attestation</p> <p>The Internal Audit reports present whether the internal controls and compliance system are in place and are working effectively. The President acknowledges the reports. Please refer to attached certification.</p> | |

Cultivating a Synergic Relationship with Shareholders

Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.

Recommendation 13.1

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| <p>1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.</p> | <p>COMPLIANT</p> | <p>Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.</p> <p>Please refer to the Manual on Corporate Governance – Shareholders' Rights and Protection of Minority Stockholders http://www.discovery.com.ph/Corporate-Governance.html</p> | |
| <p>2. Board ensures that basic shareholder rights are disclosed on the company's website.</p> | <p>COMPLIANT</p> | <p>Provide link to company's website</p> <p>Please refer to the Manual on Corporate Governance – Shareholders' Rights and Protection of Minority Stockholders Interests http://www.discovery.com.ph/Corporate-Governance.html</p> | |

Supplement to Recommendation 13.1

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| <p>1. Company's common share has one vote for one share.</p> | <p>COMPLIANT</p> | <p>Please refer to the Manual on Corporate Governance – Shareholders' Rights and Protection of Minority Stockholders' Interests http://www.discovery.com.ph/Corporate-Governance.html</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> | <p>COMPLIANT</p> | <p>Provide information on all classes of shares, including their voting rights if any.</p> <p>As of December 31, 2019, there is only one class of shares-Common. Please refer to its voting rights in the Company's Articles of Incorporation. http://www.discovery.com.ph/about-us.html#openModal1</p> | |

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| <p>3. Board has an effective, secure, and efficient voting system.</p> | <p>COMPLIANT</p> | <p>Provide link to voting procedure. Indicate if voting is by poll or show of hands.</p> <p>The By-Laws of the Company do not discuss the method by which votes are to be counted. In practice, however, the same is done by the raising of hands or viva voce.</p> <p>Please refer to the Company's Information Statement. http://www.discovery.com.ph/investor-relations.html#openModal2</p> | |
| <p>4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.</p> | <p>COMPLIANT</p> | <p>Provide information on shareholder voting mechanisms such as supermajority or "majority of minority", if any.</p> <p>All shareholders, including minority shareholders, have the right to elect, remove and replace directors. They also have the right to vote on certain corporate acts, as provided under the Corporation Code. With the use of cumulative voting, minority shareholders may vote together to ensure the election of a director.</p> | |
| <p>5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.</p> | <p>COMPLIANT</p> | <p>Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution)</p> <p>Please refer to the Corporation's By-Laws. As of date, there has been no call for a shareholders' meeting initiated by a stockholder. Please refer to a Secretary's Certificate attesting to this fact.</p> | |
| <p>6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.</p> | <p>COMPLIANT</p> | <p>Provide information or link/reference to the policies on treatment of minority shareholders</p> <p>Please refer to the Manual on Corporate Governance – Shareholders' Rights and Protection of Minority Stockholders' Interests http://www.discovery.com.ph/Corporate-Governance.html</p> | |

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| 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>The dividend policy is found in the Information Statement specifically on page 60. Please refer to DWC Definitive IS-2019 http://www.discovery.com.ph/investor-relations.html#openModal2</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>No dividends were declared in 2019</p> | |
| Optional: Recommendation 13.1 | | | |
| 1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting. | NON-COMPLIANT | <p>Identify the independent party that counted/validated the votes at the ASM, if any.</p> <p>Representatives from RCBC were appointed to validate votes at the Annual Stockholders' Meeting.</p> | <p>The Company adheres to the provisions of the By-Laws and pertinent laws and regulations in counting and validating votes during the Annual Stockholders' Meetings.</p> |

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| Recommendation 13.2 | | | |
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| <p>1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.</p> | <p>COMPLIANT</p> | <p>Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out.</p> <p>Date of Annual Stockholders' Meeting: 5 June 2019 Date of sending out notice: 22 March 2019 (75 days before the meeting) Date of sending Agenda: 22 March 2019 (75 days before the meeting)</p> <p>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</p> <p>The Agenda did not include the approval or changes to remuneration since there were no changes in remuneration for 2019.</p> <p>Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS)</p> <p>Please refer to Investor Relations – SEC Filings http://www.discovery.com.ph/investor-relations.html#openModal2</p> <p>and/or at the PSE Edge Company Disclosures https://edge.pse.com.ph/openDiscViewer.do?edge_no=e768852b474c6851efdfc15ec263a54d</p> | |
| Supplemental to Recommendation 13.2 | | | |
| <p>1. Company's Notice of Annual Stockholders' Meeting contains the following information:</p> | <p>COMPLIANT</p> | <p>Provide link or reference to the company's notice of Annual Shareholders' Meeting</p> <p>Please refer to Investor Relations – Disclosure – Notice of Annual or Special Stockholders' Meeting http://www.discovery.com.ph/investor-relations.html#openModal3</p> | |

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| a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies) | COMPLIANT | Please refer to the Corporation's 2019 Definitive Information Sheet: http://www.discovery.com.ph/investor-relations.html#openModal2 | |
| b. Auditors seeking appointment/re-appointment | COMPLIANT | Please refer to the Corporation's 2019 Definitive Information Sheet: http://www.discovery.com.ph/investor-relations.html#openModal2 | |
| c. Proxy documents | COMPLIANT | Please refer to the Corporation's 2019 Definitive Information Sheet: http://www.discovery.com.ph/investor-relations.html#openModal2 | |
| Optional: Recommendation 13.2 | | | |
| 1. Company provides rationale for the agenda items for the annual stockholders meeting | COMPLIANT | Provide link or reference to the rationale for the agenda items. Please refer to the Corporation's 2019 Definitive Information Sheet: http://www.discovery.com.ph/investor-relations.html#openModal2 | |
| Recommendation 13.3 | | | |
| 1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the 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. Please refer to the Minutes of the Annual Stockholders' Meeting. http://www.discovery.com.ph/investor-relations.html#openModal5 | |
| 2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting. | COMPLIANT | Provide link to minutes of meeting in the company website. Results of Annual Stockholders' Meeting were disclosed on 5 June 2019 and published in the PSE website on 6 June 2019. Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes. | |

The following directors were re-elected to the Board during the Company's 2019 Annual Stockholders' Meeting held on 5 June 2019:

| | No. of Votes Received |
|--------------------------|-----------------------|
| William L. Chua | 478,201,999 |
| Romualdo C. Macasaet | 478,201,999 |
| Elizabeth Ann C. Parpan | 478,201,999 |
| Jose C. Parreño, Jr. | 478,201,999 |
| A. Bayani K. Tan | 478,201,999 |
| Christopher John AD. Tiu | 478,201,999 |
| John Y. Tiu, Jr. | 478,201,999 |
| Lamberto R. Villena | 478,201,999 |
| Eric S. Yu | 478,201,999 |

Indicate also if the voting on resolutions was by poll.

The election of directors was conducted viva voce.

Include whether there was opportunity to ask question and the answers given, if any

The Chairman opened the floor to questions from the shareholders, however, no questions were raised during the 2019 Annual Stockholders' Meeting.

Supplement to Recommendation 13.3

1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.

COMPLIANT

Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting

Mr. Arthur Vinson U. Ong, partner, of Reyes Tacandong & Co, the Company's External Auditor and Mr. A. B. Madrid, representative of RCBC Stock and Transfer Department, the Company's Stock and Transfer Agent, were present during the Annual Stockholders' Meeting held on June 5, 2019.

| Recommendation 13.4 | | | |
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| 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 | <p>Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes</p> <p>The Board is responsible for the establishment of an Investor Relations Office to ensure constant engagement with its shareholders and make available, at the option of the shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner. Please refer to the Manual on Corporate Governance –General Responsibilities of the Board of Directors – Encourage and Facilitate Shareholder Engagement http://www.discovery.com.ph/Corporate-Governance.html</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>The Board is responsible for the establishment of an Investor Relations Office to ensure constant engagement with its shareholders and make available, at the option of the shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner. Please refer to the Manual on Corporate Governance – General Responsibilities of the Board of Directors – Encourage and Facilitate Shareholder Engagement http://www.discovery.com.ph/Corporate-Governance.html</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"> 1. Name of the person 2. Telephone number 3. Fax number 4. E-mail address <p>Reference: Please refer to the following webpage: http://www.discovery.com.ph/contact-us.html</p> | |

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| 2. IRO is present at every shareholder's meeting. | COMPLIANT | Indicate if the IRO was present during the ASM. Ms. Mary Jean D. Codiñera, the Company's IRO was present during the Annual Shareholders' Meeting held on June 5, 2019. | |
| Supplemental Recommendations to Principle 13 | | | |
| 1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group | COMPLIANT | Provide information on how anti-takeover measures or similar devices were avoided by the board, if any. The Company respects and follows free market forces, subject to legal rules and regulations. There are no anti-takeover provisions in the By-laws of the corporation or in the Manual on Corporate Governance. | |
| 2. Company has at least thirty percent (30%) public float to increase liquidity in the market. | NON-COMPLIANT | Indicate the company's public float. The Corporation's public float as of December 31, 2019 is 25.64% | The Corporation is well above the current requirement of the Securities Exchange Commission and Philippine Stock Exchange of 10%. |
| Optional: Principle 13 | | | |
| 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. The Investment Relations Office maintains a program that keeps stockholders informed of the important developments in the Company and ensures that the Company values their investment. | |
| 2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting. | NON-COMPLIANT | Disclose the process and procedure for secure electronic voting in absentia, if any. | The Company is currently working on its process to provide a secure electronic process of voting in absentia. |

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

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| 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>Please refer to Manual on Corporate Governance – Stakeholders http://www.discovery.com.ph/Corporate-Governance.html</p> |
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Recommendation 14.2

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| 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>Please refer to Manual on Corporate Governance – Stakeholders http://www.discovery.com.ph/Corporate-Governance.html</p> |
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Recommendation 14.3

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| 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 | <p>Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights.</p> <p>Please refer to this webpage http://www.discovery.com.ph/contact-us.html</p> <p>Provide information on whistleblowing policy, practices and procedures for stakeholders</p> <p>Please refer to the Whistleblowing Policy http://www.discovery.com.ph/Corporate-Governance.html</p> |
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| Supplement to Recommendation 14.3 | | | |
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| 1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner. | COMPLIANT | <p>Provide information on the alternative dispute resolution system established by the company.</p> <p>In case of conflict between the Company and any of its stakeholders, the Board of Directors will engage the services of a neutral third party to assist in the resolution of issues between the parties. The alternative dispute resolution system includes arbitration, mediation, conciliation, early neutral evaluation, or any combination thereof.</p> | |
| Additional Recommendations to Principle 14 | | | |
| 1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation. | COMPLIANT | <p>Disclose any requests for exemption by the company and the reason for the request.</p> <p>There was no request for exemption by the Company.</p> | |
| 2. Company respects intellectual property rights. | COMPLIANT | <p>Provide specific instances, if any.</p> <p>The Company registers its trade and business names with the Securities and Exchange Commission and its trademarks with the Intellectual Property Office.</p> | |
| Optional: Principle 14 | | | |
| 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>The Company's mission to provide hospitality service that is All Heart is embodied in the Company's values.</p> <p>Reference: Company's Vision and Mission http://www.discovery.com.ph/vision-and-mission.html</p> | |

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| <p>2. Company discloses its policies and practices that address supplier/contractor selection procedures.</p> | <p>COMPLIANT</p> | <p>Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same.</p> <p>The Company recognizes the rights of all business partners and strives to forge long-term and mutually-beneficial relationships with them through impartial dealings and adherence to the highest level of moral and ethical conduct. The Company grants equal opportunities to, and promote fair and open competition among vendors and trade partners by encouraging the highest level of productivity, efficiency, quality, and cost-competitiveness.</p> <p>Please refer to the Manual on Corporate Governance http://www.discovery.com.ph/Corporate-Governance.html</p> | |
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Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.

Recommendation 15.1

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| <p>1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.</p> | <p>COMPLIANT</p> | <p>Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.</p> <p>The Board is responsible to establish policies, programs and procedures that encourage employees to actively participate in the realization of the Company's goals and its governance.</p> <p>The Company recognizes the vital role of its employees to achieving the vision and mission of the Company. The Company is concerned for the welfare of its employees and promotes a culture where everyone is treated as family.</p> <p>Please refer to the Manual on Corporate Governance http://www.discovery.com.ph/Corporate-Governance.html</p> | |
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Supplement to Recommendation 15.1

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| <p>1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.</p> | <p>COMPLIANT</p> | <p>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>A performance management process is outlined in the guidelines on job levels and position titles for promotion developed by the Human Resources Head of the company. Compensation and benefits is based on the hierarchy and level of position as prescribed by the management..</p> | |
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|---|------------------|---|--|
| <p>2. Company has policies and practices on health, safety and welfare of its employees.</p> | <p>COMPLIANT</p> | <p>Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any.</p> <p>Please refer to Company policies related to the health, safety and welfare of the employees:</p> <ul style="list-style-type: none"> • Sexual Harassment Policy • Drug-Free Workplace Policy and Program • Workplace Policy and Program on Hepatitis B • HIV/AIDS Workplace Policy and Program • Workplace Policy and Program on Tuberculosis (TB) Prevention and Control • Alcohol-Free Workplace Policy <p>Link: http://www.discovery.com.ph/Corporate-Governance.html</p> | |
| <p>3. Company has policies and practices on training and development of its employees.</p> | <p>COMPLIANT</p> | <p>Disclose and provide information on policies and practices on training and development of employees. Include information on any training conducted or attended.</p> <p>The Company has policies and practices on training and development of its employees and training programs which are conducted on a regular basis and occasions required by government regulatory bodies.</p> <p>Please refer to the attached certification by the Human Resources Manager.</p> | |
| Recommendation 15.2 | | | |
| <p>1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.</p> | <p>COMPLIANT</p> | <p>Identify or provide link/reference to the company's policies, programs and practices on anti-corruption</p> <p>Please refer to the Company's Code of Business Conduct and Ethics http://www.discovery.com.ph/Corporate-Governance.html</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>Policies are made available in the Company's website. The Human Resources Department is tasked to implement training programs for the Company's officers and employees.</p> | |
| <p>Supplement to Recommendation 15.2</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>COMPLIANT</p> | <p>Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices.</p> <p>Please refer to the Company's Code of Business Conduct and Ethics. http://www.discovery.com.ph/Corporate-Governance.html#close</p> <p>Include any finding of violations of the company policy.</p> <p>No violations reported to date.</p> | |
| <p>Recommendation 15.3</p> | | | |
| <p>1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation</p> | <p>COMPLIANT</p> | <p>Disclose or provide link/reference to the company whistleblowing policy and procedure for employees.</p> <p>Please refer to the Whistleblowing Policy http://www.discovery.com.ph/Corporate-Governance.html</p> <p>Indicate if the framework includes procedures to protect the employees from retaliation.</p> <p>Please refer to the Whistle blowing Policy. http://www.discovery.com.ph/Corporate-Governance.html</p> <p>Provide contact details to report any illegal or unethical behavior.</p> <p>There were no incidents reported for the year.</p> | |


| | | | |
|--|------------------|---|--|
| <p>2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.</p> | <p>COMPLIANT</p> | <p>The Chairman and Audit Committee are designated as the advocates for whistleblowers and are authorized to implement this Policy.</p> <p>Whistleblowing complaints are referred to the Audit Committee, which is composed of independent directors.</p> <p>Please refer to the Company's Whistle blowing Policy http://www.discovery.com.ph/Corporate-Governance.html</p> | |
| <p>3. Board supervises and ensures the enforcement of the whistleblowing framework.</p> | <p>COMPLIANT</p> | <p>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.</p> <p>There are no incidents reported during the covered period.</p> | |

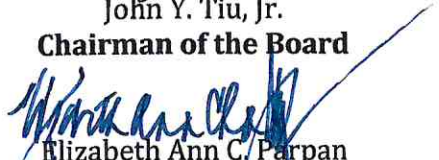
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| | | | |
|--|-----------|---|--|
| Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and 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>Please refer to Corporate Social Responsibility Activities http://www.discovery.com.ph/Corporate-Governance.html#openModal2</p> <p>Please refer to Company's Annual Report 2019 http://www.discovery.com.ph/investor-relations.html#openModal0</p> | |
| Optional: Principle 16 | | | |
| 1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development | COMPLIANT | <p>Identify or provide link/reference to policies, programs and practices to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development.</p> <p>Please refer to Company's Annual Report: Sustainability Report (SEC 17-A 2019) discovery.com.ph/investor-relations.html#openModal1</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>Please refer to Corporate Social Responsibility Activities http://www.discovery.com.ph/investor-relations.html#openModal0 http://www.discovery.com.ph/Corporate-Governance.html</p> | |

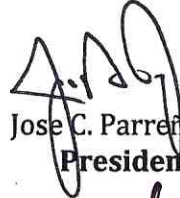
Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in PASIG CITY on AUG 25 2020.

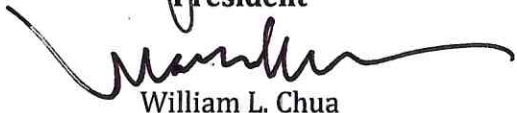
SIGNATURES



John Y. Tiu, Jr.
Chairman of the Board



Elizabeth Ann C. Parpan
Independent Director


Eric S. Yu
Independent Director


Jose C. Parreño, Jr.
President


William L. Chua
Independent Director


Charlie G. Ledesma
Compliance Officer


Anna Francesca C. Respicio
Corporate Secretary

SUBSCRIBED AND SWORN to before me this AUG 25 2020 day of _____, affiant(s) exhibiting to me their _____, as follows:

| NAME | TIN | C.E.I/NO. | DATE OF ISSUE | PLACE OF ISSUE |
|----------------------------|-------------|----------------------------------|-------------------|-----------------------------|
| John Y. Tiu, Jr. | 231-388-691 | SSS ID / 33-5356353-4 | | |
| Jose C. Parreño, Jr. | 132-205-868 | Driver's license / N02-02-009437 | | |
| Elizabeth Ann C. Parpan | 175-876-113 | Driver's license / N01-01-114170 | | |
| William L. Chua | 131-260-201 | Driver's license / N17-69-023159 | | |
| Eric S. Yu | 105-583-290 | Driver's license / X01-06-003749 | | |
| Charlie G. Ledesma | 273-379-940 | Driver's License / N25-10-022344 | | Makati City DFA NCR East |
| Anna Francesca C. Respicio | 419-191-112 | Passport No. P0286448A | 16 September 2016 | |

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 Page No. 70
 Book No. II
 Series of 2020.

YSABEL KATHRYN M. SANTOS
 Notary Public for
 Pasig City, San Juan, Taguig & Pateros
 Appointment No. 231 (2019-2020)
 Commission Expires on December 31, 2020
 2704 East Tower, PSE Centre, Exchange Road
 Ortigas Center, 1605 Pasig City
 PTR No. 2868657 / 01.08.20 Mandaluyong
 IBP LRN No. 016949 / 06.28.2019 / RSM
 Roll of Attorneys No. 70409
 SMC No. 14.0837128 / 01.10.19

REPUBLIC OF THE PHILIPPINES)
PASIG CITY) S.S.

OMNIBUS SECRETARY'S CERTIFICATE

ANNA FRANCESCA C. RESPICIO, of legal age, Filipino, with office address at 2704 East Tower, Philippine Stock Exchange Center, Exchange Road, Ortigas Center, Pasig City, Metro Manila, being the duly elected and qualified Corporate Secretary of **DISCOVERY WORLD CORPORATION** (the "Corporation"), a corporation organized and existing under the laws of the Philippines, with principal office at Station 1, Balabag, Malay, Aklan, under oath, does hereby certify that:

A. Board of Directors

1. The following Directors of the Corporation were elected in the Annual Stockholders' Meeting held on 05 June 2019 to serve for one (1) year or until their successors have been elected.

| NAME | VOTES RECEIVED | TYPE OF DIRECTORSHIP | DATE OF FIRST ELECTION |
|-----------------------------|----------------|------------------------|------------------------|
| 1. William L. Chua | 478,201,999 | Independent Director | April 3, 2018 |
| 2. John Y. Tiu, Jr. | 478,201,999 | Executive Director | July 25, 2003 |
| 3. A. Bayani K. Tan | 478,201,999 | Non-Executive Director | March 1, 2013 |
| 4. Romualdo C. Macasaet | 478,201,999 | Non-Executive Director | March 1, 2013 |
| 5. Lamberto R. Villena | 478,201,999 | Non-Executive Director | March 1, 2013 |
| 6. Elizabeth Ann C. Parpan | 478,201,999 | Independent Director | March 1, 2013 |
| 7. Jose C. Parreño | 478,201,999 | Executive Director | November 9, 2018 |
| 8. Christopher John AD. Tiu | 478,201,999 | Executive Director | November 9, 2018 |
| 9. Eric S. Yu | 478,201,999 | Independent Director | November 9, 2018 |

2. The Board of the Directors is composed of six (6) Non-Executive Directors which includes three (3) Independent Directors.
3. In 2019, the Board of Directors met thrice and the attendance in said meetings were as follows:

| Director | Feb. 26 | June 05 | Dec. 02 | % |
|-----------------------------|---------|---------|---------|-----|
| 1. William L. Chua | ✓ | ✓ | ✓ | 100 |
| 2. John Y. Tiu, Jr. | ✓ | ✓ | ✓ | 100 |
| 3. A. Bayani K. Tan | - | ✓ | ✓ | 66 |
| 4. Romualdo C. Macasaet | ✓ | ✓ | ✓ | 100 |
| 5. Lamberto R. Villena | ✓ | ✓ | ✓ | 100 |
| 6. Elizabeth Ann C. Parpan | ✓ | ✓ | ✓ | 100 |
| 7. Jose C. Parreño | ✓ | ✓ | ✓ | 100 |
| 8. Christopher John AD. Tiu | ✓ | ✓ | ✓ | 100 |
| 9. Eric S. Yu | ✓ | ✓ | ✓ | 100 |

4. Pursuant to the Manual on Corporate Governance, Notices of Board and Committee Meetings, as well as materials thereto are distributed at least five (5) days prior the scheduled meetings.
5. The Board of Directors regularly meets to oversee, develop, and review the business objectives and strategies of the Corporation.
6. In the Board and Committee meetings, the directors are participative and ask the necessary questions or seek clarifications and explanations on the matters discussed therein.
7. In 2019, there were no transactions discussed in Board meetings involving any of the disclosed material interests of the Directors which would give rise to a conflict of interest. As such, no abstentions were made in the deliberations and approval of transactions discussed in the said Board meetings.
8. The Board self-assessment was conducted in the Meeting held on 02 December 2019.
9. In the meeting held on 02 December 2019, the Board set the Schedule of Meetings for the meetings of the Board and Committees for 2020.

B. Appointment of Corporate Officers

10. The following officers were appointed in the organizational meeting of the Board of Directors that followed the Annual Stockholders' Meeting held on 05 June 2019:

| NAME | POSITION |
|----------------------------|--|
| John Y. Tiu, Jr. | Chairman and Chief Executive Officer |
| Jose C. Parreño | President |
| Leslie Ann T. Yapkianwee | Treasurer |
| Anna Francesca C. Respicio | Corporate Secretary |
| Morielle Isobel S. Cariño | Assistant Corporate Secretary |
| Charlie G. Ledesma | Compliance Officer |
| Gilbert Magnaye | Chief Audit Executive and Chief Risk Officer |
| Mary Jean D. Codiñera | Vice-President and Investors Relations Officer |
| Rupert Terrence C. Sykat | Vice-President – Project Development |

C. Audit Committee

11. In the organizational meeting of the Board of Directors following the Annual Stockholders' Meeting held on 05 June 2019, the following Directors were appointed to form the Audit Committee:

| | NAME | POSITION | TYPE OF DIRECTORSHIP |
|----|-------------------------|-----------------|-----------------------------|
| 1. | William L. Chua | Chairman | Independent Director |
| 2. | Elizabeth Ann C. Parpan | Member | Independent Director |
| 3. | Romualdo C. Macasaet | Member | Non-Executive Director |
| 4. | Eric S. Yu | Member | Independent Director |

12. Management is requested to step out during Audit Meetings to allow for the free dialogue between the Committee and the external auditor.

13. In 2019 the Audit Committee convened four (4) times, and the attendance in said meetings were as follows:

| Director | Feb. 26 | May 14 | Aug. 07 | Nov. 27 | % |
|----------------------------|--------------------|-------------------|--------------------|--------------------|----------|
| 1. Romualdo C. Macasaet | ✓ | ✓ | ✓ | ✓ | 100 |
| 2. Elizabeth Ann C. Parpan | ✓ | ✓ | ✓ | ✓ | 100 |
| 3. William L. Chua | ✓ | ✓ | ✓ | ✓ | 100 |
| 4. Eric S. Yu | ✓ | ✓ | ✓ | ✓ | 100 |

14. During the Committee meetings, the members are participative and ask the necessary questions or seek clarifications and explanations on the matters discussed therein.

15. The Audit Committee's self-assessment was conducted in the Board Meeting held on 02 December 2019.

D. Corporate Governance Committee

16. In the organizational meeting of the Board of Directors following the Annual Stockholders' Meeting held on 05 June 2019, the following Directors were appointed to form the Corporate Governance Committee:

| | NAME | POSITION | TYPE OF DIRECTORSHIP |
|----|-------------------------|-----------------|-----------------------------|
| 1. | Elizabeth Ann C. Parpan | Chairman | Independent Director |
| 2. | William L. Chua | Member | Independent Director |
| 3. | Eric S. Yu | Member | Independent Director |

17. In 2019, the Corporate Governance Committee convened thrice and the attendance in said meeting were as follows:

| Director | Feb. 26 | May 14 | Nov. 27 | % |
|----------------------------|--------------------|-------------------|--------------------|----------|
| 1. Elizabeth Ann C. Parpan | ✓ | ✓ | ✓ | 100 |
| 2. William L. Chua | ✓ | ✓ | ✓ | 100 |
| 3. Eric S. Yu | ✓ | ✓ | ✓ | 100 |

18. During the meetings of the Committee, the members are participative and ask the necessary questions or seek clarifications and explanations on the matters discussed therein.

19. The Corporate Governance Committee self-assessment was conducted in the Board Meeting held on 02 December 2019.

E. Board Risk Oversight Committee

20. In the organizational meeting of the Board of Directors following the Annual Stockholders' Meeting held on 05 June 2019, the following Directors were appointed to form the Board Risk Oversight Committee:

| | NAME | POSITION | TYPE OF DIRECTORSHIP |
|----|-------------------------|-----------------|-----------------------------|
| 1. | William L. Chua | Chairman | Independent Director |
| 2. | Eric S. Yu | Member | Independent Director |
| 3. | Romualdo C. Macasaet | Member | Non-Executive Director |
| 4. | Elizabeth Ann C. Parpan | Member | Independent Director |

21. In 2019 the Board Risk Oversight Committee convened four (4) times and the attendance in said meetings were as follows:

| Director | March 26 | June 05 | Sept. 02 | Nov. 27 | % |
|----------------------------|---------------------|--------------------|---------------------|--------------------|----------|
| 1. William L. Chua | ✓ | ✓ | ✓ | ✓ | 100 |
| 2. Eric S. Yu | ✓ | ✓ | ✓ | ✓ | 100 |
| 3. Romualdo C. Macasaet | ✓ | ✓ | ✓ | ✓ | 100 |
| 4. Elizabeth Ann C. Parpan | ✓ | ✓ | ✓ | ✓ | 100 |

22. In the Committee meetings, the members are participative and ask the necessary questions or seek clarifications and explanations on the matters discussed therein.

23. The Board Risk Oversight Committee's self-assessment was conducted in the Board Meeting held on 02 December 2019.

F. Meeting of the Non-Executive Directors (NED)

24. On 02 December 2019, a meeting of Non-Executive Directors was convened. The meeting was chaired by Ms. Elizabeth Ann C. Parpan. No executive officers were present during the meeting. The Corporation's Compliance Officer, Mr. Charlie G. Ledesma, was in attendance in the said meeting. In the said meeting, the NEDs discussed updates on the business of the Corporation's subsidiaries and ways to further improve corporate governance.

G. Directorships in other Companies and Independent Vote of Directors

25. Ms. Elizabeth C. Parpan accepted a new directorship with (i) Prime Eastern Spring Holdings Inc. and (ii) Chan-Touei Properties Inc. for the year 2019. Ms. Parpan informed the Board of the matter during the meeting on 05 June 2019. She started serving as director of the aforementioned corporations in July 2019.

26. The By-Laws of the Corporation do not contain any provision that may constrain the director's ability to vote independently;
27. Atty. A. Bayani K. Tan accepted new trusteeships with (i) Guimaras Forest Foundation, Inc. on 04 September 2019, and (ii) St. Scholastica's College Manila on 07 October 2019. These were discussed and noted by the Board in its meeting on 02 December 2019.

H. Other Matters

28. There are no shareholders' agreements, voting trust agreements, confidentiality agreements, and other such agreements that may impact on the control, ownership, and strategic direction of the Corporation registered by any shareholder with the Corporate Secretary.
29. In 2019, the Board did not receive a request from the stockholders of the Corporation to call a Special Stockholders' Meeting.

IN ATTESTATION OF THE ABOVE, this Certificate was signed this 25th day of August 2020 at Pasig City, Metro Manila.

ANNA FRANCESCA C. RESPICIO
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 25th day of August 2020 in Pasig City, affiant exhibiting to me her Passport No. P0286448A issued at DFA NCR East which expires on 15 September 2021 and TIN 419-191-112 as her competent evidences of identity.

Doc. No. 330;
Page No. 67;
Book No. II;
Series of 2020.

YSABEL KATHRYN M. SANTOS
Notary Public for
Pasig City, San Juan, Taguig & Pateros
Appointment No. 231 (2019-2020)
Commission Expires on December 31, 2020
2704 East Tower, FSE Centre, Exchange Road
Ortigas Center, 1605 Pasig City
PTR No. 2968657 / 01.08.20 Mandaluyong
IBP LRN No. 016949 / 06.28.2019 / RSM
Roll of Attorneys No. 70499
MCLEC No. VI-0017136 / 01.10.19

CERTIFICATION

I certify that pursuant to the code of Business Conduct and Ethics of Discovery World Corporation (the "Company"), the Human Resources Department implemented programs/activities in 2019:

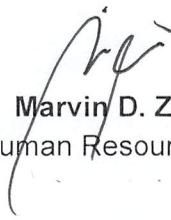
1. Onboarding seminar for new employees to orient them on the Company's Code of Business Conduct (the "Code");
2. Regular refresher training to remind all business units and departments in all levels across the organization to adhere to the Code; and
3. Regular assessment of the employees' performance which includes a criterion on observing the Company's code.

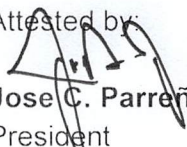
I further certify that an alleged breach of the Code is investigated and violations are taken seriously and may result in a disciplinary action, up to and including termination of employment and possible legal action.

Finally, I certify that the Company has policies and practices on training and development of its employees. The Company, through its Human Resources Department:

1. Conducts training programs to its employees on a regular basis and occasions required by government regulatory bodies; and
2. Creates a professional development plan for its employees to help them prepare for the job and enhance the skills and talents of people in the organization.

Signed this 29th day of May 2020.


Marvin D. Zoilo
Human Resources Head

Attested by:

Jose C. Parreño, Jr.
President

CERTIFICATION

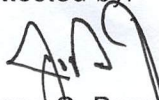
Relative to the requirement of the integrated Annual Corporate Governance Report (I-ACGR), I certify that a sound internal audit, control, and compliance system is in place and working effectively. Internal audit procedures to test the internal controls and compliance with the Corporation's manuals, guidelines, and issuances that outline procedures and processes are conducted regularly on risk-based approach for the year 2019. The internal auditor's findings and observations are regularly discussed with the concerned departments and officers and reported to the Audit Committee for corrective actions.

Signed this 27th day of December 2019.



Allen Cord B. Sigat, CPA
Chief Audit Executive

Attested by:



Jose C. Parraño, Jr.
President