



**SEC FORM – I-ACGR  
INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT  
GENERAL INSTRUCTIONS**

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

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

**B. Preparation of Report**

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

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

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

<p><b>"comply or explain" approach. Answering of items under (4) are left to the discretion of PLCs.</b></p>			
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**C. Signature and Filing of the Report**

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



## SEC FORM – I-ACGR

### INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the calendar<sup>1</sup> year ended **2025**
2. SEC Identification Number **727**
3. BIR Tax Identification No. **000-229-931**
4. **CENTRAL AZUCARERA DE TARLAC, INC.**  
Exact name of issuer as specified in its charter
5. **Manila, Philippines**  
Province, country or other jurisdiction of incorporation
6. (SEC Use Only)   
Industry Classification Code
7. **San Miguel, Tarlac City**  
Address of principal office
8. **2301**  
Postal Code
8. **(632) 88186270**  
Issuer's telephone number, including area code
9. **N/A**  
Former name or former address, if changed since last report

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<sup>1</sup> In accordance with SEC Memorandum Circular No. 17, Series of 2017, the I-ACGR shall cover relevant information from January to December of the given year.

**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>The Board's Governance Responsibilities</b>			
<p><b>Principle 1:</b> The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.</p>			
<p><b>Recommendation 1.1</b></p>			
<p>1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.</p>	<p>Compliant</p>	<p>The information on each of the members of the Company's Board of Directors, such as their respective academic qualifications, industry knowledge, and relevant professional experience and expertise are reflected in their respective profiles in the Company website. The profiles of the members of the board of directors may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/about-us/our-company/board-of-directors-management-team-and-executive-directors/">http://luisitasugar.com/about-us/our-company/board-of-directors-management-team-and-executive-directors/</a></p> <p>The above information are also provided in the Company's Information Statement distributed to the stockholders as a required report for the Annual Stockholders' Meeting.</p> <p>The Company's Information Statement may be accessed through the following link:</p>	
<p>2. Board has an appropriate mix of competence and expertise.</p>	<p>Compliant</p>		
<p>3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.</p>	<p>Compliant</p>		

		<a href="http://luisitasugar.com/disclosures/sec-filings/">http://luisitasugar.com/disclosures/sec-filings/</a>	
<b>Recommendation 1.2</b>			
1. Board is composed of a majority of non-executive directors.	Compliant	<p>The Company has eight (8) elected directors, majority of whom are non-executive directors</p> <p>The profiles of members of the board of directors may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/about-us/our-company/board-of-directors-management-team-and-executive-directors/">http://luisitasugar.com/about-us/our-company/board-of-directors-management-team-and-executive-directors/</a></p>	
<b>Recommendation 1.3</b>			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	<p>The Company is guided by its Manual on Corporate Governance and Board Charter on policies relative to the continuing education and/or training of its Board, which states that</p> <p><i>"1.3. Training</i></p> <p><i>The Company shall provide an eight-hour orientation program for first-time directors covering SEC-mandated topics on corporate governance and an introduction to the company's business, Articles of Incorporation, and Code of Conduct.</i></p>	

		<p><i>The Company shall also provide a four-hour relevant annual continuing training for all directors aim to promote effective board performance and continuing qualification of the directors in carrying-out their duties and responsibilities. The topics will include topics on corporate governance matters relevant to the company, including audit, internal controls, risk management, sustainability and strategy."</i></p> <p>The Company's Manual on Corporate Governance may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/">http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/</a></p> <p>The Company's Board Charter may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/board-committees/">http://luisitasugar.com/corporate-governance/board-committees/</a></p>	
<p>2. Company has an orientation program for first time directors.</p>	<p>Compliant</p>	<p>The orientation program for first time directors is provided in the Company's Manual on Corporate Governance and the Board, which states that</p>	
<p>3. Company has relevant annual continuing training for all directors.</p>	<p>Compliant</p>	<p><i>"1.3. Training</i></p>	

		<p><i>The Company shall provide an eight-hour orientation program for first-time directors covering SEC-mandated topics on corporate governance and an introduction to the company's business, Articles of Incorporation, and Code of Conduct.</i></p> <p><i>xxx"</i></p> <p>The Company has no first-time director for the period covered by this report.</p> <p>The Company's Manual on Corporate Governance may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/">http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/</a></p> <p>The attendance of the board in relevant trainings for corporate governance may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/about-us/our-company/board-of-directors-management-team-and-executive-directors/">http://luisitasugar.com/about-us/our-company/board-of-directors-management-team-and-executive-directors/</a></p>	
<b>Recommendation 1.4</b>			
1. Board has a policy on board diversity.	Compliant	The Company's policy on board diversity is provided for in the Manual on	

	<p>Corporate Governance and is also included in the Company's Board Charter, to wit:</p> <p>" <i>1.4. Board Diversity</i></p> <p><i>The Company believes in the principle of board diversity as a tool of corporate governance. To respond to its current needs and evolving business environment and strategic direction, the Company shall endeavor to diversity the composition of its Board, which includes diversity on, among others, gender, age, ethnicity, culture, skills, competence and knowledge. "</i></p> <p>The Company's Manual on Corporate Governance may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/">http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/</a></p> <p>The Board Charter may be accessed using the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/board-committees/board-charter/">http://luisitasugar.com/corporate-governance/board-committees/board-charter/</a></p> <p>At present, the Board is composed of all male directors.</p>	
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<b>Optional: Recommendation 1.4</b>			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.			
<b>Recommendation 1.5</b>			
1. Board is assisted by a Corporate Secretary.	Compliant	Information on the Company's Corporate Secretary may be accessed in the Company's website through the following link:	
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		
4. Corporate Secretary attends training/s on corporate governance.	Compliant	<p><a href="http://luisitasugar.com/about-us/our-company/board-of-directors-management-team-and-executive-directors/">http://luisitasugar.com/about-us/our-company/board-of-directors-management-team-and-executive-directors/</a></p> <p>The duties and functions of the Company's Corporate Secretary are provided in the Company's Manual on Corporate Governance and may be accessed in the Company's website through the following link</p> <p><a href="http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/">http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/</a></p> <p>The Company's Corporate Secretary, Atty. Janette L. Peña, attended the "The Board's Role in the Human Capital Strategy of a Company" conducted by the Institute of Corporate Directors (ICD) on September 25, 2025 and the "AI Governance and Strategy for</p>	

		Corporate Leaders” also conducted by ICD on December 12, 2025.	
<b>Optional: Recommendation 1.5</b>			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	Compliant	The Corporate Secretary distributes through email the materials for board meetings at least 5 days before the scheduled meeting.	
<b>Recommendation 1.6</b>			
1. Board is assisted by a Compliance Officer.	Compliant	Information on the Company’s Compliance Officer may be accessed in the Company’s website through the following link:  <a href="http://luisitasugar.com/about-us/our-company/board-of-directors-management-team-and-executive-directors/">http://luisitasugar.com/about-us/our-company/board-of-directors-management-team-and-executive-directors/</a>  The duties and functions of the Company’s Compliance Officer are provided in the Company’s Manual on Corporate Governance and may be accessed in the Company’s website through the following link:  <a href="http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/">http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/</a>  The Company’s Compliance Officer, Atty. Addison B. Castro, attended the Advanced Corporate Governance Training conducted by ICD on May 9, 2025.	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant		
3. Compliance Officer is not a member of the board.	Compliant		
4. Compliance Officer attends training/s on corporate governance.	Compliant		

**Principle 2:** The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's 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>The Company's board of directors have faithfully and diligently performed their respective duties and responsibilities as shown in their attendance in the meetings of the board.</p> <p><a href="http://luisitasugar.com/disclosures/sec-filings/">http://luisitasugar.com/disclosures/sec-filings/</a></p>	
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**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>The Company's Manual on Corporate Governance and the Board Charter provides for the duties and responsibilities of the Board, which includes the following:</p> <p><i>"The Board shall oversee the development of and approve the company's business objectives and strategy, and monitor their implementation, in order to sustain the company's long-term viability and strength. The Board shall review and guide corporate strategy, major plans of action, risk management policies and procedures, annual budgets and business plans; set performance objectives; monitor implementation and corporate performance; and oversee major capital expenditures, acquisitions and divestitures."</i></p>	
<p>2. Board oversees and monitors the implementation of the company's business objectives and strategy.</p>	<p>Compliant</p>		

		<p>The Company's Manual on Corporate Governance may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/">http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/</a></p> <p>The Company's Board Charter may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/board-committees/">http://luisitasugar.com/corporate-governance/board-committees/</a></p> <p>The Board regularly holds its meeting to be able to make sound business judgment on variety of corporate matters, including review of business objectives and strategy.</p> <p>Attendance of the Board may be accessed in the Company's website through the following link:</p> <p><a href="http://luisitasugar.com/disclosures/sec-filings/">http://luisitasugar.com/disclosures/sec-filings/</a></p>	
<b>Supplement to Recommendation 2.2</b>			
<p>1. Board has a clearly defined and updated vision, mission and core values.</p>	<p>Compliant</p>	<p>The Company's vision, mission and core values are found in the Company's website and may be accessed through the following link:</p>	

		<p><a href="http://luisitasugar.com/about-us/our-company/our-mission/">http://luisitasugar.com/about-us/our-company/our-mission/</a></p> <p>The Board reviews the vision, mission and core values annually.</p>	
<p>2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.</p>	<p>Compliant</p>	<p>Section 2.1.2 of the Manual on Corporate Governance and Section 6.1.b of the Board Charter Manual on Corporate Governance provides that:</p> <p><i>"The Board shall oversee the development of and approve the company's business objectives and strategy, and monitor their implementation, in order to sustain the company's long-term viability and strength. The Board shall review and guide corporate strategy, major plans of action, risk management policies and procedures, annual budgets and business plans; set performance objectives; monitor implementation and corporate performance; and oversee major capital expenditures, acquisitions and divestitures."</i></p> <p>The Company's Manual on Corporate Governance may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/">http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/</a></p>	

		<p>The Company's Board Charter may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/board-committees/">http://luisitasugar.com/corporate-governance/board-committees/</a></p>	
<b>Recommendation 2.3</b>			
<p>1. Board is headed by a competent and qualified Chairperson.</p>	<p>Compliant</p>	<p>Information on the Company's Chairperson, Mr. Martin P. Lorenzo, may be accessed in the Company's website through the following link:</p> <p><a href="http://luisitasugar.com/about-us/our-company/board-of-directors-management-team-and-executive-directors/">http://luisitasugar.com/about-us/our-company/board-of-directors-management-team-and-executive-directors/</a></p> <p>The duties and functions of the Company's Chairperson are provided in the Company's Manual on Corporate Governance and Board Charter. These may be accessed in the Company's website through the following links:</p> <p><a href="http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/">http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/</a></p> <p><a href="http://luisitasugar.com/corporate-governance/board-committees/">http://luisitasugar.com/corporate-governance/board-committees/</a></p>	
<b>Recommendation 2.4</b>			
<p>1. Board ensures and adopts an effective succession planning program for directors, key officers and management.</p>	<p>Compliant</p>	<p>The Manual on Corporate Governance and the Board Charter provides for the</p>	

<p>2. Board adopts a policy on the retirement for directors and key officers.</p>	<p>Compliant</p>	<p>duties and responsibilities of the Board, which includes the following:</p> <p><i>"The Board shall adopt an effective succession planning program for directors, key officers and management to ensure growth and a continued increase in the shareholders' value. This shall include a policy on the retirement age for directors and key officers as part of management succession and to promote dynamism in the Company."</i></p> <p>The Company's Manual on Corporate Governance may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/">http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/</a></p> <p>The Company's Board Charter may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/board-committees/">http://luisitasugar.com/corporate-governance/board-committees/</a></p> <p>Further, the Corporate Governance Committee has undertaken the role and responsibility of the Nomination and Remuneration Committee. The Charter of the Corporate Governance Committee provides that one of its functions is to</p>	
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		<p><i>"recommend succession plan for the board members and senior officers."</i></p> <p>The Company's Corporate Governance Committee Charter may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/board-committees/">http://luisitasugar.com/corporate-governance/board-committees/</a></p>	
<b>Recommendation 2.5</b>			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	The Manual on Corporate Governance and the Board Charter provides for the duties and responsibilities of the Board, which includes the following:	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant	<i>"The Board shall align the remuneration of key officers and board members with the long-term interests of the company. In doing so, it shall formulate and adopt a policy specifying the relationship between remuneration and performance. Further, no director shall participate in discussions or deliberations involving his own remuneration."</i>	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	<p>The Company's Manual on Corporate Governance may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/">http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/</a></p>	

	<p>The Company's Board Charter may be accessed through the following link</p> <p><a href="http://luisitasugar.com/corporate-governance/board-committees/">http://luisitasugar.com/corporate-governance/board-committees/</a></p> <p>Further, the Corporate Governance Committee has undertaken the role and responsibility of the Nomination and Remuneration Committee. The Charter of the Corporate Governance Committee provides that one of its functions is to <i>"recommend remuneration packages for corporate and individual performance"</i> and to <i>"establish a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the corporation's culture and strategy as well as the business environment in which it operates"</i></p> <p>The Company's Corporate Governance Committee Charter may be accessed through the following link</p> <p><a href="http://luisitasugar.com/corporate-governance/board-committees/">http://luisitasugar.com/corporate-governance/board-committees/</a></p> <p>The Company's Amended By-laws provides that "The Board of Directors shall receive a fee of up to three percent (3%) of the net profits of the Corporation which shall be distributed</p>	
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		<p>proportionately among the directors; and each director shall receive a reasonable per diem in an amount to be determined by the Board of Directors for every board meeting actually attended.”</p> <p>The Company’s Amended By-Laws may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/about-us/our-company/">http://luisitasugar.com/about-us/our-company/</a></p>	
<b>Optional: Recommendation 2.5</b>			
1. Board approves the remuneration of senior executives.			
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.			
<b>Recommendation 2.6</b>			
1. Board has a formal and transparent board nomination and election policy.	Compliant	<p>The Manual on Corporate Governance provides for the nomination and election policy in consonance with the Company’s Amended By-Laws. Further, the qualification and disqualifications are also indicated therein, to wit:</p> <p><i>“All nominations for the election of Directors by the stockholders shall be submitted in writing to the Corporate Governance Committee at least thirty (30) business days before the scheduled date of the Annual Stockholders’ Meeting. The stockholders who are entitled to vote may vote such number of shares for as many persons as there</i></p>	
2. Board nomination and election policy is disclosed in the company’s Manual on Corporate Governance.	Compliant		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant		
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant		
5. Board nomination and election policy includes an assessment of the effectiveness of the	Compliant		

Board's processes in the nomination, election or replacement of a director.		<i>are Directors to be elected, multiplied by the number of shares, or under the same principle the stockholder may distribute his votes among as many candidates as he believes convenient so long as the number of votes cast by him shall not be more than the number of shares owned by him multiplied by the number of Directors to be elected.</i>	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant	<p><i>The Corporate Governance Committee shall ensure that the nominees possess the necessary qualifications and none of the disqualifications provided for by existing laws, rules &amp; regulations, Company's By-Laws and this Manual. The qualifications and disqualifications shall be continuously monitored. The election of the Directors shall be done by ballots, or by viva voce, if requested by a stockholder. The Company may engage the services of professional search firms or external sources when searching for candidates to the Board."</i></p> <p>The above provisions are also echoed in the Company's Board Charter, which provides that:</p> <p><i>"All nominations for the election of Directors by the stockholders shall be submitted in writing to the Corporate Governance Committee at least thirty</i></p>	

		<p><i>(30) business days before the scheduled date of the Annual Stockholders' Meeting</i></p> <p><i>The Corporate Governance Committee shall ensure that the nominees possess the necessary qualifications and none of the disqualifications provided for by existing laws, rules &amp; regulations, Company's By-Laws and the Manual on Corporate Governance. The qualifications and disqualifications shall be continuously monitored by the Corporate Governance Committee</i></p> <p><i>The Corporate Governance Committee shall ensure that the nominees possess the necessary qualifications and none of the disqualifications provided for by existing laws, rules &amp; regulations, Company's By-Laws and the Manual on Corporate Governance. The qualifications and disqualifications shall be continuously monitored."</i></p> <p>Likewise, the Company's Corporate Governance Committee Charter provides that <i>"the nomination and election process for the company's directors and has the special duty of defining the general profile of board members that the company may need and ensuring appropriate knowledge, competencies and expertise that complement the existing skills of the Board."</i></p>	
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<b>Optional: Recommendation to 2.6</b>			
<p>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.</p>			
<b>Recommendation 2.7</b>			
<p>1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs)</p>	<p>Compliant</p>		

and other unusual or infrequently occurring transactions.		The Company's Manual on Corporate Governance and Board Charter provides that	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant		
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant	<p><i>"The Board shall have the 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, particularly those which pass certain thresholds of materiality. The policy shall include the appropriate review and approval of material or significant RPTs, which guarantee fairness and transparency of the transactions. The policy shall encompass all entities within the group, taking into account their size, structure, risk profile and complexity of operations."</i></p> <p>The Company's Manual on Corporate Governance may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/">http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/</a></p> <p>The Company's Board Charter may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/board-committees/">http://luisitasugar.com/corporate-governance/board-committees/</a></p>	

		<p>The Company has adopted a Policy on Material Related Party Transactions to ensure that every material related party transaction is at arm's length and conducted in a manner that will protect the Company from conflicts of interest . The Audit Committee is tasked to perform the functions of Related Party Transactions Committee as mandated by the Company's Manual on Corporate Governance.</p> <p>The Company's Material Related Party Transactions Policy may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/code-of-business-conduct-and-ethics/">http://luisitasugar.com/corporate-governance/code-of-business-conduct-and-ethics/</a></p>	
<b>Supplement to Recommendations 2.7</b>			
<p>1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.</p>	Compliant	<p>The Company has adopted a Policy on Material Related Party Transactions which defined the threshold for disclosure and approval of related party transaction. The Company's Material Related Party Transactions Policy may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/company-policies/">http://luisitasugar.com/corporate-governance/company-policies/</a></p>	

<p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p>	<p>Compliant</p>	<p>The Company, in its Information Statement included its Annual Report and the Audited Financial Statements for the Fiscal Year ending June 30, 2025 as one of the reports submitted for the approval of the Stockholders.</p> <p>The Company's Information Statement (SEC Form No. 20-IS) may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/disclosures/sec-filings/">http://luisitasugar.com/disclosures/sec-filings/</a></p>	
<b>Recommendation 2.8</b>			
<p>1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>Compliant</p>	<p>The Company's Manual on Corporate Governance and Board Charter provides that:</p> <p><i>"The Board shall be primarily responsible for approving the selection and assessing the performance of the Management led by the Chief Executive Officer (CEO), and control functions led by their respective heads (Chief Risk Officer, Chief Compliance Officer, and Chief Audit Executive)."</i></p>	
<p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>Compliant</p>	<p>The Company's Manual on Corporate Governance may be accessed through the following link:</p>	

		<p><a href="http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/">http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/</a></p> <p>The Company's Board Charter may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/board-committees/">http://luisitasugar.com/corporate-governance/board-committees/</a></p>	
<b>Recommendation 2.9</b>			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	Compliant	<p>The Company's Manual on Corporate Governance and Board Charter provides that:</p> <p><i>"The Board shall 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."</i></p>	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant	<p>The Company's Manual on Corporate Governance may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/">http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/</a></p> <p>The Company's Board Charter may be accessed through the following link:</p>	

		<p><a href="http://luisitasugar.com/corporate-governance/board-committees/">http://luisitasugar.com/corporate-governance/board-committees/</a></p> <p>The Company sets Key Performance Indicators (KPI) to ensure that Management's performance is at par with the standards set by the Board and Senior Management.</p>	
<b>Recommendation 2.10</b>			
1. Board oversees that an appropriate internal control system is in place.	Compliant	<p>The Company's Manual on Corporate Governance and Board Charter provides that:</p> <p><i>"The Board shall oversee that an appropriate internal control system is in place, including setting up a mechanism for monitoring and managing potential conflicts of interest of Management, board members, and shareholders. The Board shall also approve the Internal Audit Charter."</i></p> <p>The Company's Manual on Corporate Governance may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/">http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/</a></p> <p>The Company's Board Charter may be accessed through the following link:</p>	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant		
3. Board approves the Internal Audit Charter.	Compliant		

		<a href="http://luisitasugar.com/corporate-governance/board-committees/">http://luisitasugar.com/corporate-governance/board-committees/</a>	
<b>Recommendation 2.11</b>			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	The Company's Manual on Corporate Governance and Board Charter provides that:	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant	<p><i>"The Board shall oversee that a sound enterprise risk management (ERM) framework is in place to effectively identify, monitor, assess and manage key business risks. The risk management framework shall guide the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies."</i></p> <p>The Company's Manual on Corporate Governance may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/">http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/</a></p> <p>The Company's Board Charter may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/board-committees/">http://luisitasugar.com/corporate-governance/board-committees/</a></p>	
<b>Recommendation 2.12</b>			

1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	The Company's Board Charter clearly defines the roles, responsibilities and accountabilities of the board in carrying out its fiduciary role, to wit:	
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	<p><i>"Section 6. RESPONSIBILITIES OF THE BOARD</i></p> <p><i>1. Duties, Powers and Attributes of the Board</i></p> <p><i>a. The Board members shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company and all shareholders. There are two key elements of the fiduciary duty of board members: the duty of care and the duty of loyalty. The duty of care requires board members to act on a fully informed basis, in good faith, with due diligence and care. The duty of loyalty is also of central importance; the board member shall act in the interest of the company and all its shareholders, and not those of the controlling company of the group or any other stakeholder.</i></p> <p><i>b. The Board shall oversee the development of and approve the company's business objectives and strategy, and monitor their implementation, in order to sustain the company's long-term viability and strength. The Board shall review and guide corporate strategy, major plans of action, risk management policies and</i></p>	

	<p><i>procedures, annual budgets and business plans; set performance objectives; monitor implementation and corporate performance; and oversee major capital expenditures, acquisitions and divestitures.</i></p> <p><i>c. The Board shall adopt an effective succession planning program for directors, key officers and management to ensure growth and a continued increase in the shareholders' value. This shall include a policy on the retirement age for directors and key officers as part of management succession and to promote dynamism in the Company.</i></p> <p><i>d. The Board shall align the remuneration of key officers and board members with the long-term interests of the company. In doing so, it shall formulate and adopt a policy specifying the relationship between remuneration and performance. Further, no director shall participate in discussions or deliberations involving his own remuneration.</i></p> <p><i>e. The Board shall have the 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, particularly those which pass certain thresholds of materiality. The policy shall include the appropriate</i></p>	
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	<p><i>review and approval of material or significant RPTs, which guarantee fairness and transparency of the transactions. The policy shall encompass all entities within the group, taking into account their size, structure, risk profile and complexity of operations.</i></p> <p><i>f. The Board shall be primarily responsible for approving the selection and assessing the performance of the Management led by the Chief Executive Officer (CEO), and control functions led by their respective heads (Chief Risk Officer, Chief Compliance Officer, and Chief Audit Executive).</i></p> <p><i>g. The Board shall 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.</i></p> <p><i>h. The Board shall oversee that an appropriate internal control system is in place, including setting up a mechanism for monitoring and managing potential conflicts of interest of Management, board members, and shareholders. The Board shall also approve the Internal Audit Charter.</i></p> <p><i>i. The Board shall oversee that a sound enterprise risk management (ERM) framework is in place to</i></p>	
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	<p><i>effectively identify, monitor, assess and manage key business risks. The risk management framework shall guide the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.</i></p> <p><i>2. Adherence to the Code of Conduct and Ethics</i></p> <p><i>The Board shall adopt a Code of Business Conduct and Ethics, which would provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings. The Code shall be properly disseminated to the Board, senior management and employees. It shall also be disclosed and made available to the public through the company website.</i></p> <p><i>The Board shall ensure the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.</i></p> <p><i>3. Approval of the Financial Statements</i></p> <p><i>The Board approves the Interim and Annual Financial Statements reviewed by the Audit Committee.</i></p> <p><i>4. Approval of Annual Plans and Budget</i></p>	
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		<p><i>The Board shall review and guide corporate strategy, major plans of action, risk management policies and procedures, annual budgets and business plans; set performance objectives; monitor implementation and corporate performance; and oversee major capital expenditures, acquisitions and divestitures."</i></p> <p>The above provision outlining the roles, responsibilities and accountabilities of the board serves as their guide in the performance of their functions. The Company's Board Charter is available to the public and may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/board-committees/">http://luisitasugar.com/corporate-governance/board-committees/</a></p>	
<b>Additional Recommendation to Principle 2</b>			
1. Board has a clear insider trading policy.	Compliant	<p>The Company's Insider Trading Policy may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/company-policies/">http://luisitasugar.com/corporate-governance/company-policies/</a></p>	
<b>Optional: Principle 2</b>			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.			
2. Company discloses the types of decision requiring board of directors' approval.			

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

**Recommendation 3.1**

<p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	<p>Compliant</p>	<p>The Company's Manual on Corporate Governance provides that:</p> <p><i>"Board committees shall 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 shall take into consideration the Company's size, risk profile, complexity of operations, among others. The respective charter of the committees shall be made publicly available.</i></p> <p>The Company's Manual on Corporate Governance may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/">http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/</a></p> <p>The Company's Board Charter provides that:</p>	
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		<p><i>The Board of Directors shall have the power, among other things, to create Committees as may be necessary or beneficial in the operation and internal regulation of the Corporation and in compliance with the principles of good corporate governance. Such Committees shall have such powers and functions as may be delegated to them by the Board or as defined in the Securities Regulation Code, Revised Code of Corporate Governance and the Manual of Corporate Governance, except those that may not be delegated under the Corporation Code. The Board shall have the power to appoint and remove the members of such Committees and may at any time, with or without cause, dissolve any of such Committees."</i></p> <p>The Company's Board Charter may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/board-committees/">http://luisitasugar.com/corporate-governance/board-committees/</a></p>	
<b>Recommendation 3.2</b>			
<p>1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.</p>	<p>Compliant</p>	<p>The Company's Manual on Corporate Governance and Audit Committee Charter provides that:</p> <p><i>"The Board shall establish an Audit Committee to enhance the Board's</i></p>	

	<p><i>oversight capability over the Company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations. The Audit Committee shall be primarily responsible for overseeing the senior management in establishing and maintaining an adequate, effective and efficient internal control framework. The Audit Committee shall ensure that systems and processes are designed to provide assurance in areas including reporting, monitoring compliance with laws, regulations and internal policies, efficiency and effectiveness of operations, and safeguarding of assets. It has the following duties and responsibilities, among others:</i></p> <ul style="list-style-type: none"> <li><i>-Recommends the approval the Internal Audit Charter (IA Charter), which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the IA Charter;</i></li> <li><i>-Through the Internal Audit (IA) Department, monitors and evaluates the adequacy and effectiveness of the Company's internal control system, integrity of financial reporting, and security of physical and information assets. Well-designed internal control procedures and processes that will provide a system of checks and balances</i></li> </ul>	
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	<p><i>shall be in place in order to (a) safeguard the company's resources and ensure their effective utilization, (b) prevent occurrence of fraud and other irregularities, (c) protect the accuracy and reliability of the company's financial data, and (d) ensure compliance with applicable laws and regulations;</i></p> <ul style="list-style-type: none"> <li><i>-Oversees the Internal Audit Department, and recommends the appointment and/or grounds for approval of an internal audit head or Chief Audit Executive (CAE). The Audit Committee shall also approve the terms and conditions for outsourcing internal audit services;</i></li> <li><i>-Establishes and identifies the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. For this purpose, he shall directly report to the Audit Committee;</i></li> <li><i>-Reviews and monitors Management's responsiveness to the Internal Auditor's findings and recommendations;</i></li> <li><i>-Prior to the commencement of the audit, discusses with the External Auditor the nature, scope and expenses of the audit, and ensures the proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;</i></li> <li><i>-Evaluates and determines the non-audit work, if any, of the External Auditor, and</i></li> </ul>	
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	<p><i>periodically reviews the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the Company's overall consultancy expenses. The committee shall disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence[7]. The non-audit work, if allowed, shall be disclosed in the Company's Annual Report and Annual Corporate Governance Report;</i></p> <p><i>-Reviews and approves the Interim and Annual Financial Statements before their submission to the Board, with particular focus on the following matters: Any change/s in accounting policies and practices, Areas where a significant amount of judgment has been exercised, Significant adjustments resulting from the audit, Going concern assumptions, Compliance with accounting standards, Compliance with tax, legal and regulatory requirements</i></p> <p><i>-Reviews the disposition of the recommendations in the External Auditor's management letter;</i></p> <p><i>-Performs oversight functions over the Company's Internal and External Auditors. It ensures the independence of Internal and External Auditors, and that both auditors are given unrestricted access to all records, properties and</i></p>	
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		<p><i>personnel to enable them to perform their respective audit functions;</i></p> <p><i>-Coordinates, monitors and facilitates compliance with laws, rules and regulations;</i></p> <p><i>-Recommends to the Board the appointment, reappointment, removal and fees of the External Auditor, duly accredited by the Commission, who undertakes an independent audit of the Company, and provides an objective assurance on the manner by which the financial statements shall be prepared and presented to the stockholders;</i></p> <p><i>-Performs the functions of Board Risk Oversight Committee and/or Related Party Transactions Committee;</i></p> <p><i>-Meets with the Board at least every quarter without the presence of the CEO or other management team members, and periodically meets with the head of the internal audit; and</i></p> <p><i>-Such other duties and responsibilities assigned to the committee by the Board."</i></p> <p>The Company's Audit Committee membership and its charter may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/board-committees/">http://luisitasugar.com/corporate-governance/board-committees/</a></p>	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors,	Non-Compliant		Majority of the members of the Audit Committee are qualified non-executive

the majority of whom, including the Chairman is independent.			<p>directors. The Chairman, Mr. Espiritu is an independent director. The composition of the Audit Committee, with majority being non-executive directors, will ensure independence in the performance of its functions.</p> <p>The information on the members, including the Chairman, of the Audit Committee and their qualifications maybe accessed in the Company's website through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/board-committees/">http://luisitasugar.com/corporate-governance/board-committees/</a></p>
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	<p>The qualifications of each member of the Audit Committee may be viewed in the Company's website through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/board-committees/">http://luisitasugar.com/corporate-governance/board-committees/</a></p>	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	The Chairman of the Audit Committee, Mr. Espiritu, is not the Chairman of the Board or any other committee.	
<b>Supplement to Recommendation 3.2</b>			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	The external auditor has not rendered non-audit service for the period covered by this report.	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	The Audit Committee met with the Company's External Auditor prior to the Board's approval of the Company's Audited Financial Statement.	
<b>Optional: Recommendation 3.2</b>			
1. Audit Committee meet at least four times during the year.			

2. Audit Committee approves the appointment and removal of the internal auditor.			
<b>Recommendation 3.3</b>			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	<p>The Company's Manual on Corporate Governance and Corporate Governance provides that:</p> <p><i>"The Board shall establish a Corporate Governance Committee that shall assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee. It shall be composed of at least three members, all of whom shall be independent directors, including the Chairman.</i></p> <p><i>The Corporate Governance Committee shall be responsible in ensuring compliance with and proper observance of corporate governance principles and practices. It has the following duties and functions, among others:</i></p> <ul style="list-style-type: none"> <li><i>-Oversees the implementation of the corporate governance framework and periodically reviews the said framework to ensure that it remains appropriate in light of material changes to the Company's size, complexity and business strategy, as well as its business and regulatory environments;</i></li> <li><i>-Oversees the periodic performance evaluation of the Board and its committees as well as executive</i></li> </ul>	

	<p><i>management, and conducts an annual self-evaluation of its performance;</i></p> <ul style="list-style-type: none"> <li><i>-Ensures that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;</i></li> <li><i>-Recommends continuing education/training programs for directors, assignment of tasks/projects to board committees, succession plan for the board members and senior officers, and remuneration packages for corporate and individual performance;</i></li> <li><i>-Adopts corporate governance policies and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance;</i></li> <li><i>-Proposes and plans relevant trainings for the members of the Board;</i></li> <li><i>-Determines the nomination and election process for the company's directors and has the special duty of defining the general profile of board members that the company may need and ensuring appropriate knowledge, competencies and expertise that complement the existing skills of the Board; and</i></li> <li><i>-Establishes 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</i></li> </ul>	
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		<p><i>as well as the business environment in which it operates.”</i></p> <p>The Company’s Manual on Corporate Governance may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/">http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/</a></p> <p>The Company’s Corporate Governance Committee Charter may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/board-committees/">http://luisitasugar.com/corporate-governance/board-committees/</a></p>	
<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	<p>Non-compliant</p>		<p>The Corporate Governance Committee is composed of three members, two of which are independent directors. The composition of the Corporate Governance Committee, with majority being independent directors, will ensure independence in the performance of its function. The information on the members, including the Chairman of the Corporate Governance Committee and their qualifications may be accessed in the Company’s website through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/board-committees/">http://luisitasugar.com/corporate-governance/board-committees/</a></p>

3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	Majority of the members, including the Chairman of the Corporate Governance Committee, are independent directors.	
<b>Optional: Recommendation 3.3.</b>			
1. Corporate Governance Committee meet at least twice during the year.			
<b>Recommendation 3.4</b>			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	The functions of a Board Risk and Oversight Committee is undertaken by the Company's Audit Committee. The Audit Committee Charter provides that:	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	<i>"The Audit Committee may perform the functions of Risk Oversight Committee which oversees the Company's Enterprise Management System to ensure its functionality and effectiveness, as well as the functions of Related Party Transactions Committee which reviews all material related party transactions of the Company."</i>	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Compliant		
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant	The Company's Audit Committee Charter may be accessed through the following link:  <a href="http://luisitasugar.com/corporate-governance/board-committees/">http://luisitasugar.com/corporate-governance/board-committees/</a>  In accordance with the SEC Memorandum Circular No. 19, Series of 2016, Corporate Governance Code for Publicly Listed Corporations, the establishment of a Board Risk Oversight	

		<p>Committee depends on size, risk profile and complexity of operations and is generally applicable to conglomerates and companies with high risk profile.</p> <p>The Company deems that its size, risk profile and complexity of operations does not require the establishment of a BROC.</p>	
<b>Recommendation 3.5</b>			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	The functions of a Related Party Transactions Committee are undertaken by the Company's Audit Committee. The Audit Committee Charter provides that:	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant	<p><i>"The Audit Committee may perform the functions of Risk Oversight Committee which oversees the Company's Enterprise Management System to ensure its functionality and effectiveness, as well as the functions of Related Party Transactions Committee which reviews all material related party transactions of the Company."</i></p> <p>The Company's Audit Committee Charter may be accessed through the following link</p> <p><a href="http://luisitasugar.com/corporate-governance/board-committees/">http://luisitasugar.com/corporate-governance/board-committees/</a></p> <p>In accordance with the SEC Memorandum Circular No. 19, Series of</p>	

		<p>2016, Corporate Governance Code for Publicly Listed Corporations, the establishment of a Related Party Transactions Committee depends on size, risk profile and complexity of operations and is generally applicable to conglomerates and companies with high risk profile.</p> <p>The Company deems that its size, risk profile and complexity of operations does not require the establishment of an RPT Committee.</p>	
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**Recommendation 3.6**

1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	<p>The Company's Manual on Corporate Governance may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/">http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/</a></p>	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant		
3. Committee Charters were fully disclosed on the company's website.	Compliant	<p>The Company's Charters of the Corporate Governance Committee and Audit Committee may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/board-committees/">http://luisitasugar.com/corporate-governance/board-committees/</a></p>	

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

**Recommendation 4.1**

1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	The Company's Manual on Corporate Governance and Board Charter provides that:	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant		
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	<p><i>"The directors shall 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, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent them from doing so."</i></p> <p>The Company complies with SEC MC. No. 15, Series of 2001 and subsequently with SEC MC No. 3, Series of 2020 on board meetings through remote communication.</p> <p>Materials for the meeting were given to the Directors a few days before the scheduled meeting.</p>	
<b>Recommendation 4.2</b>			
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.	Compliant	<p>The Company's Manual on Corporate Governance and Board Charter provides that:</p> <p><i>"The non-executive directors of the Board shall concurrently serve as directors to a maximum of five publicly listed companies to ensure that they</i></p>	

		<p><i>have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the company."</i></p> <p>The Company's Manual on Corporate Governance may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/">http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/</a></p> <p>The Company's Board Charter may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/board-committees/">http://luisitasugar.com/corporate-governance/board-committees/</a></p> <p>The respective profiles of the Company's directors containing their directorships in both listed and non-listed companies may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/about-us/our-company/board-of-directors-management-team-and-executive-directors/">http://luisitasugar.com/about-us/our-company/board-of-directors-management-team-and-executive-directors/</a></p>	
<b>Recommendation 4.3</b>			
<p>1. The directors notify the company's board before accepting a directorship in another company.</p>	<p>Compliant</p>	<p>The Company's Manual on Corporate Governance and Board Charter provides that:</p>	

		<p>"A director shall notify the Board where he/she is an incumbent director before accepting a directorship in another company."</p> <p>The Company's Manual on Corporate Governance may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/">http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/</a></p> <p>The Company's Board Charter may be accessed through the following link</p> <p><a href="http://luisitasugar.com/corporate-governance/board-committees/">http://luisitasugar.com/corporate-governance/board-committees/</a></p>	
<b>Optional: Principle 4</b>			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.			
2. Company schedules board of directors' meetings before the start of the financial year.	Compliant	The Company scheduled its meetings of the Board of Directors for CY 2025 during its organizational board meeting held on January 28, 2025.	
3. Board of directors meet at least six times during the year.			
4. Company requires as minimum quorum of at least 2/3 for board decisions.			
<b>Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs</b>			
<b>Recommendation 5.1</b>			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Non-compliant		While the Company has only two (2) independent directors, they constitute one third (1/3) of the eight (8) elected directors.

			<p>The Company considers the number of independent directors adequate and sufficient for the board to exercise an objective and independent judgment on all corporate affairs with two independent directors, given the company's size, structure, risk profile and complexity of operations.</p> <p>The respective profiles of the Company's independent directors may be accessed through the following link:  <a href="http://luisitasugar.com/about-us/our-company/board-of-directors-management-team-and-executive-directors/">http://luisitasugar.com/about-us/our-company/board-of-directors-management-team-and-executive-directors/</a></p>
<b>Recommendation 5.2</b>			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	<p>The respective profiles of the Company's independent directors may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/about-us/our-company/board-of-directors-management-team-and-executive-directors/">http://luisitasugar.com/about-us/our-company/board-of-directors-management-team-and-executive-directors/</a></p>	
<b>Supplement to Recommendation 5.2</b>			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	There are no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	
<b>Recommendation 5.3</b>			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Non-Compliant		The years of service as an independent director is disclosed in the Company's Information Statement (SEC Form 20-IS),

			<p>which may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/disclosures/sec-filings/">http://luisitasugar.com/disclosures/sec-filings/</a></p> <p>Mr. Renato B. Padilla and Mr. Benjamin I. Espiritu, who served the maximum term limit as independent directors, were nominated and elected by the stockholders during the annual stockholders' meeting held on January 28, 2025. A copy of the Minutes of the Meeting of the Annual Meeting for 2025 may be accessed using the following link:</p> <p><a href="http://luisitasugar.com/disclosures/minutes-of-all-general-or-special-stockholders-meetings/">http://luisitasugar.com/disclosures/minutes-of-all-general-or-special-stockholders-meetings/</a></p>
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	The Company's Manual on Corporate Governance and Board Charter provides that:	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Compliant	"The Board's independent directors shall serve for a maximum cumulative term of nine (9) years. After which, the independent director shall be perpetually barred from reelection as such in the same company, but may continue to qualify for nomination and election as a non-independent director. In the instance that a company wants to retain an independent director who has served for nine years, the Board shall provide meritorious justification/s and seek	

		<p>shareholders' approval during the annual shareholders' meeting."</p> <p>The Company's Manual on Corporate Governance may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/">http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/</a></p> <p>The Company's Board Charter may be accessed through the following link</p> <p><a href="http://luisitasugar.com/corporate-governance/board-committees/">http://luisitasugar.com/corporate-governance/board-committees/</a></p> <p>All the independent directors are still within the allowable term limit.</p>	
<b>Recommendation 5.4</b>			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Non-compliant		While the Chairman and Chief Executive Officer positions are being held by one and the same individual, the President and Chief Operating Officer whose function includes overseeing the operations of the Company are held by another individual and they are not related to each other.
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Non-compliant		
<b>Recommendation 5.5</b>			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Non-compliant		<p>The Company's Manual on Corporate Governance and Board Charter provides that:</p> <p><i>"The Board may, whenever practicable, designate a lead director among the independent directors if the Chairman of the</i></p>

		<p><i>Board is not independent, including a situation where the positions of the Chairman of the Board and Chief Executive Officer are held by one person. The functions of the lead director include, among others, the following:</i></p> <ul style="list-style-type: none"> <li><i>-Serves as an intermediary between the Chairman and the other directors when necessary;</i></li> <li><i>-Convenes and chairs meetings of the non-executive directors; and</i></li> <li><i>-Contributes to the performance evaluation of the Chairman, as required."</i></li> </ul> <p>The Company's Manual on Corporate Governance may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/">http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/</a></p> <p>The Company's Board Charter may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/board-committees/">http://luisitasugar.com/corporate-governance/board-committees/</a></p> <p>While there is no designated lead director, the Board ensures that it is functioning in accordance with the best practices on corporate governance and that the independent judgment of the independent directors is maintained throughout their term.</p>
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**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>	<p>Compliant</p>	<p>The Company's Manual on Corporate Governance and Board Charter provides that:</p> <p><i>"The board shall endeavor to exercise an objective and independent judgment on all corporate affairs. A director with a material interest in any transaction affecting the Company shall abstain from taking part in the deliberations for the same."</i></p> <p>The Company's Manual on Corporate Governance may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/">http://luisitasugar.com/corporate-governance/manual-on-corporate-governance/</a></p> <p>The Company's Board Charter may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/board-committees/">http://luisitasugar.com/corporate-governance/board-committees/</a></p> <p>There had been no instance where a director had material interest in a transaction affecting the corporation that would require him to abstain from taking part in the deliberations on the transaction</p>	
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**Recommendation 5.7**

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	The Audit Committee (whose members are all non-executive directors) meeting, with the external auditor and heads of the internal audit, for the purpose of recommending the approval of the audited financial statements of the Company was held without any executive present. The Audit Committee is headed by an independent director, Mr. Benjamin Espiritu who chaired the meeting.	
2. The meetings are chaired by the lead independent director.	Compliant		
<b>Optional: Principle 5</b>			
1. None of the directors is a former CEO of the company in the past 2 years.			
<b>Principle 6:</b> The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
<b>Recommendation 6.1</b>			
1. Board conducts an annual self-assessment of its performance as a whole.	Non-compliant		Given the number of directors of the Company and its size, structure, risks profile and complexity of operations, the performance of the Board, individual directors and committees may adequately be discerned during their attendance and participation in board meetings. Nonetheless, the Board endeavors to conduct a self-assessment survey to evaluate the performance of the Board, the Committees, and its individual members on an annual basis starting this calendar year, with the support of an external facilitator every three (3) years.
2. The Chairman conducts a self-assessment of his performance.	Non-compliant		
3. The individual members conduct a self-assessment of their performance.	Non-compliant		
4. Each committee conducts a self-assessment of its performance.	Non-compliant		
5. Every three years, the assessments are supported by an external facilitator.	Non-compliant		
<b>Recommendation 6.2</b>			
1. Board has in place a system that provides, at the minimum, criteria and process to	Non-compliant		Given the number of directors of the Company and its size, structure, risk profile and

determine the performance of the Board, individual directors and committees.			complexity of operations, the performance of the Board, individual directors and committees may adequately be discerned during their attendance and participation in board meetings. Nonetheless, the Board aims to come up with a self-assessment survey to evaluate the performance of the Board, the Committees and its individual members.
2. The system allows for a feedback mechanism from the shareholders.	Compliant	The shareholders may submit their feedback by communicating with the Investor Relations Officer. The contact information is found in the following page of the Company's website:  <a href="http://luisitasugar.com/investor-relations/">http://luisitasugar.com/investor-relations/</a>	
<b>Principle 7:</b> Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
<b>Recommendation 7.1</b>			
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	The Board has adopted a Code of Business Conduct and Ethics, which was properly disseminated to the Board, senior management and employees. The same is publicly available and may be accessed through the following link:  <a href="http://luisitasugar.com/corporate-governance/code-of-business-conduct-and-ethics/">http://luisitasugar.com/corporate-governance/code-of-business-conduct-and-ethics/</a>	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant		
3. The Code is disclosed and made available to the public through the company website.	Compliant		
<b>Supplement to Recommendation 7.1</b>			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Compliant	The Code of Conduct and Ethics provides that:	

	<p><i>"CAT does not tolerate any act of corruption or bribery</i></p> <p><i>Bribery or Corruption, for purposes of this Policy, shall be defined as making any offer, promise, or giving of gift, either personally or through the mediation of another, to a government official, in exchange for the performance or non-performance of his/her official duties.</i></p> <p><i>Violation of this provision would be subject to disciplinary measures, which may include dismissal, without prejudice from the Corporation's right to initiate a criminal or civil action.</i></p> <p><i>The Corporation does not tolerate corrupt practices and considers the following conduct, contrary to its Policy and rules and regulations: (1) giving or accepting anything of value where the nature or value of the advantage is unreasonable or inappropriate to the occasion or the position and circumstances of the recipient (employee, supplier, contractor, customer, government agency); (2) giving or accepting anything of value with the intent or expectation of receiving or giving anything of value in return; (3) giving or accepting of value that may unduly influence the recipient's objectivity, judgment or discretion; (4) giving or accepting anything of value without proper documentation; and (5)</i></p>	
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		<p><i>violation of the Anti-Graft and Corrupt Practices Act."</i></p> <p>The Company's Code of Conduct and Ethics may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/code-of-business-conduct-and-ethics/">http://luisitasugar.com/corporate-governance/code-of-business-conduct-and-ethics/</a></p>	
<b>Recommendation 7.2</b>			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	The Code of Conduct and Ethics provides that:	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	<p><i>"The administration and the implementation of this Code shall be the primary responsibility of the Unit Head who may, for this purpose, issue such implementing rules and regulations within their respective units that are consistent with this Code.</i></p> <p><i>Report of violations</i></p> <p><i>Directors, Officers and Employees are expected to strictly comply with this Code and to report to the non-compliance or violation thereof.</i></p> <p><i>Investigation</i></p> <p><i>Upon complaint or report, or on his own initiative, a Unit Head shall investigate or cause to be investigated, and decide all disciplinary offenses involving employees within his/her Unit.</i></p>	

	<p><i>Offenses involving employees belonging to two or more Units shall be jointly investigated and decided by the Unit Heads concerned.</i></p> <p><i>Offenses for which the prescribed penalty is dismissal shall be investigated and decided in accordance with applicable laws, presidential decrees and republic acts. The Unit Head shall, in the discharge of this responsibility, be assisted by the Legal Office.</i></p> <p><i>The decision shall be in writing and shall state i) the proofs submitted during the investigation; ii) the offense proven to have been committed, and iii) the reason in support of the decision.</i></p> <p><i>Evaluation of Cases</i></p> <p><i>The objectives sought to be attained by this Code shall be the guiding principles in evaluating all disciplinary cases. Unit Heads shall, in the discharge of their responsibilities under this Policy, see to it that the interests of the company are protected.</i></p> <p><i>Discipline</i></p> <p><i>Any employee who commits any of the offenses in the Company Policies and Rules and Regulations may be disciplined in accordance with the following</i></p> <p><i>Penalties:</i></p> <p><i>Written Warning – notice or advice given to an employee for having committed an offense, reminding or calling his/her attention of sterner penalties which may</i></p>	
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	<p><i>be imposed in case of repetition of the same offense.</i></p> <p><i>Suspension – this place an employee under suspension without pay for the specified period of day(s), and all fringe benefits may also be considered suspended during the period of suspension.</i></p> <p><i>Dismissal – this is termination of An employee for commission of an extremely serious violation or any repeated offenses.</i></p> <p><i>Conflict Resolution</i></p> <p><i>In resolving conflicts, certain mechanisms are adapted such as the Grievance procedure, mediation and conciliation, arbitration and administrative investigation, as the case may be.</i></p> <p>The Company's Code of Conduct and Ethics may be accessed through the following link:</p> <p><a href="http://luisitasugar.com/corporate-governance/code-of-business-conduct-and-ethics/">http://luisitasugar.com/corporate-governance/code-of-business-conduct-and-ethics/</a></p>	
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**Disclosure and Transparency**

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

**Recommendation 8.1**

1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to	Compliant	The Company's Manual on Corporate Governance provides that:	
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<p>shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.</p>		<p><i>"The Company shall establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations. The Board shall establish 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.</i></p> <p><i>All directors and officers shall disclose/report to the Company any dealings in the Company's shares within three (3) business days.</i></p> <p><i>The Board shall fully disclose all relevant and material information on individual board members and key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</i></p> <p><i>The company shall provide a clear disclosure of its policies and procedure for setting Board and executive remuneration, as well as the level and mix of the same in the Annual Corporate Governance Report. The Company shall also disclose the remuneration on an individual basis, including termination and retirement provisions</i></p>	
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