



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **2017**
2. SEC Identification Number **A200117708** 3. BIR Tax Identification No. **219-934-330**
4. Exact name of issuer as specified in its charter **XURPAS INC.**
5. **PHILIPPINES** (SEC Use Only)
Province, Country or other jurisdiction of incorporation or organization Industry Classification Code:
7. **7F CAMBRIDGE CENTER BUILDING, 108 TORDESILLAS ST., SALCEDO VILLAGE, MAKATI CITY 1227**
Address of principal office Postal Code
8. **(632) 889-6467**
Issuer's telephone number, including area code
9. **NOT APPLICABLE**
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
<p>Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.</p>			
Recommendation 1.1			
<p>1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.</p>	Compliant	<p>Provide information or link/reference to a document containing information on the following:</p>	<p>http://xurpasgroup.com/executive-committee/</p> <p>See also Information Statement.</p>
<p>2. Board has an appropriate mix of competence and expertise.</p>	Compliant	<ol style="list-style-type: none"> Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance 	<p>The Manual on Corporate Governance mandates that the Board should comprise of members that have competence and expertise to enable to fulfill its roles and responsibilities and respond to the needs of the Corporation based on the evolving business environment and strategic direction. Please see below link to access the qualifications of the directors:</p> <p>http://xurpasgroup.com/executive-committee/</p> <p>See also Information Statement.</p>
<p>3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.</p>	Compliant		<p>http://xurpasgroup.com/executive-committee/</p> <p>See also Information Statement.</p>
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	http://xurpasgroup.com/executive-committee/ The Board consists of 3 executive directors, 2 non-executive directors and 2 independent directors.
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.	The Manual on Corporate Governance and Board Charter provide that all new directors shall have an 8-hour orientation program while existing directors are required to attend a 4-hour continuing training. http://xurpasgroup.com/wp-content/uploads/2017/09/Xurpas-Inc.-Revised-Manual-on-Corporate-Governance-FINAL.pdf Provided below is the certificate of attendance in relation to the corporate governance training of the directors/officers for calendar year 2017: http://xurpasgroup.com/wp-content/uploads/2017/03/SGV-Certificates-of-Attendance-Corporate-Governance-Training-2017.pdf
2. Company has an orientation program for first time directors.	Compliant	Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.	The Manual on Corporate Governance provides that all new directors shall have an 8 hour orientation program. http://xurpasgroup.com/wp-content/uploads/2017/09/Xurpas-Inc.-Revised-Manual-on-Corporate-Governance-FINAL.pdf

3. Company has relevant annual continuing training for all directors.	Compliant		<p>The Manual on Corporate Governance provides that all existing directors shall attend a 4 hour continuing training.</p> <p>Please see certificates of compliance submitted by the Board and Officers.</p> <p>http://xurpasgroup.com/wp-content/uploads/2017/03/SGV-Certificates-of-Attendance-Corporate-Governance-Training-2017.pdf</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>Indicate gender composition of the board.</p>	<p>Please see Manual on Corporate Governance.</p> <p>http://xurpasgroup.com/wp-content/uploads/2017/09/Xurpas-Inc.-Revised-Manual-on-Corporate-Governance-FINAL.pdf</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.		<p>Provide information on or link/reference to a document containing the company's policy and measurable objectives for implementing board diversity.</p> <p>Provide link or reference to a progress report in achieving its objectives.</p>	

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.	Please see the Corporation's Manual on Corporate Governance and the list of officers/directors in the website. Atty. Mark S. Gorriceta is the Corporation's Corporate Secretary and his qualifications are disclosed in the link provided below: http://xurpasgroup.com/executive-committee/
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		http://xurpasgroup.com/executive-committee/ Atty. Mark S. Gorriceta is the Corporation's Corporate Secretary while Mr. Alexander D. Corpuz is the Corporation's Chief Compliance Officer.
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		The list of directors is provided in the link below: http://xurpasgroup.com/executive-committee/ We confirm that the Corporate Secretary is not a member of the Board.

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	<p>The Corporate Secretary attended a four hour seminar on corporate governance training in 2017. He also attended a four hour seminar on corporate governance training in 2018.</p> <p>Provided below is the link to access the certification which was submitted with the SEC and the PSE for calendar year 2017:</p> <p>http://xurpasgroup.com/wp-content/uploads/2017/03/SGV-Certificates-of-Attendance-Corporate-Governance-Training-2017.pdf</p>
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.		Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting	
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.	<p>Mr. Alexander D. Corpuz is the Corporation's Chief Compliance Officer. His qualifications are provided in the link below:</p> <p>http://xurpasgroup.com/executive-committee/</p>

2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant		We confirm that the Corporation's chief Compliance Officer has an executive rank, as disclosed in the link below: http://xurpasgroup.com/executive-committee/
3. Compliance Officer is not a member of the board.	Compliant		The Corporation's Chief Compliance Officer is not a member of the Board. Please see link below for the list of directors: http://xurpasgroup.com/executive-committee/
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	The Compliance Officer attends training of at least four hours each year. Please see certification which was submitted with the PSE and SEC below: http://xurpasgroup.com/wp-content/uploads/2017/03/SGV-Certificates-of-Attendance-Corporate-Governance-Training-2017.pdf

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>The Corporate Secretary sends out Notice of Meeting at least five (5) days prior to scheduled date of meeting. The Corporate Secretary who is also the Chief Legal Officer attends all meetings and provides the necessary legal advice to guide the Board.</p> <p>Please see also the link to the Corporation's Manual on Corporate Governance:</p> <p>http://xurpasgroup.com/wp-content/uploads/2017/09/Xurpas-Inc.-Revised-Manual-on-Corporate-Governance-FINAL.pdf</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>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>Indicate frequency of review of business objectives and strategy</p>	<p>Section 2.1.4. of the Board Charter provides that the Board shall formulate the Corporation's vision, mission, objectives, strategies, policies and procedures that shall guide its activities and accordingly monitor and implement the same.</p> <p>The business objectives and strategy are reviewed periodically. In 2017, the Board had a total of 12 meetings as reflected in the Information Statement of the Corporation. The Board discussed the business and operational results of the Corporation wherein the Corporation's objectives and strategies are considered.</p>

<p>2. Board oversees and monitors the implementation of the company's business objectives and strategy.</p>	<p>Compliant</p>		<p>As provided above, the business objectives and strategy are reviewed periodically. In 2017, the Board had a total of 12 meetings as reflected in the Information Statement of the Corporation. The Board discussed the business and operational results of the Corporation wherein the Corporation's objectives and strategies are considered.</p>
<p>Supplement to Recommendation 2.2</p>			
<p>1. Board has a clearly defined and updated vision, mission and core values.</p>		<p>Indicate or provide link/reference to a document containing the company's vision, mission and core values.</p> <p>Indicate frequency of review of the vision, mission and core values.</p>	<p>http://xurpasgroup.com/about-us/mission-and-vision/</p> <p>This is being reviewed periodically.</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>Provide information on or link/reference to a document containing information on the strategy execution process.</p>	<p>Section 1.10 of the Manual on Corporate Governance provides that the Board formulates the Corporation's vision, mission, objectives, strategies, policies and procedures.</p> <p>The Corporation's Management/Executive Officers implements the strategic initiatives outlined by the Board. In 2017, the Board conducted 12 meetings wherein the business and operations of the Corporation are discussed to ensure that the strategic initiatives outlined by the Board are being implemented.</p> <p>All material decisions approved by the Board are reflected in the Corporation's Information Statement.</p>
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Recommendation 2.3

1. Board is headed by a competent and qualified Chairperson.	Compliant	Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications	Please see below link for the qualifications of the Chairman: http://xurpasgroup.com/executive-committee/ This is also reflected in the Corporation's Information Statement.
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Recommendation 2.4

1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation	Please see the Corporation's Manual on Corporate Governance and the Policy on Succession Planning posted in the website. The Policy on Succession Planning provides: The Board shall implement an effective succession planning for its directors and Management to ensure the efficient transfer of leadership.
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2. Board adopts a policy on the retirement for directors and key officers.	Compliant		<p>The Corporation's Policy on Succession Planning provides:</p> <p>The retirement age for directors shall be eighty (80) years old. The Board may however amend this policy, as it may deem appropriate. The retirement age for Management shall follow the compulsory retirement age prescribed under the Labor Code of the Philippines.</p>
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Recommendation 2.5

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>The Corporation's Policy on Remuneration of Board and/or Key Officers which is posted on the website states that the Board shall adopt a policy which shall specify the relationship between the remuneration and performance of directors. The same policy shall be applied for purposes of determining the remuneration and performance of employees and Management. The level of remuneration should always be commensurate to the responsibilities of the role.</p> <p>The Corporation has established a Personnel and Compensation Committee which shall handle matters relating to compensation.</p> <p>Please see also the Corporation's Manual on Corporate Governance, Board Charter, and Information Statement.</p>
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2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant		<p>The Corporation's Policy on Remuneration of Board and/or Key Officers states that the level of remuneration should always be commensurate to the responsibilities of the role. The Personnel and Compensation Committee shall assist the Board in all matters relating to remuneration.</p> <p>Please see the Corporation's Manual on Corporate Governance and the Policy on Remuneration of Board and/or Key Officers posted in the website.</p>
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant		<p>Please see the Corporation's Manual on Corporate Governance, Board Charter and the Policy on Remuneration of Board and/or Key Officers posted in the website provide that no director shall be involved in deciding his own remuneration during his incumbent term.</p>

Optional: Recommendation 2.5

1. Board approves the remuneration of senior executives.		Provide proof of board approval	
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.		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.	

Recommendation 2.6

<p>1. Board has a formal and transparent board nomination and election policy.</p>	<p>Compliant</p>	<p>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.</p> <p>Provide proof if minority shareholders have a right to nominate candidates to the board</p> <p>Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.</p>	<p>The Corporation's by-laws provide that all nominations for the election of directors by the stockholders shall be submitted in writing to the Nomination Committee <u>not earlier than sixty (60) days nor later than thirty (30) days</u> prior to the date when the Definitive Information Statement is required to be sent out to the stockholders under relevant regulations. Nominations which are not submitted within such nomination period shall not be valid.</p> <p>The Nomination Committee, by majority vote, shall pass upon the qualification of the nominee to the Board. It may also, in the exercise of its discretion and by majority vote of its members, disqualify a nominated shareholder who, in the Nomination Committee's judgment, represents an interest adverse to or in conflict with those of the corporation. No nominations shall be entertained or allowed on the floor during the Annual Stockholders' Meeting.</p> <p>The final list of candidates shall be made available to the Securities and Exchange Commission and to all stockholders through the filing and distribution of the Information Statement or in such other reports required by the Securities and Exchange Commission</p> <p>Please see also the Corporation's By-Laws, Manual on Corporate Governance, Board Charter and Nomination Committee Charter posted in the website.</p>
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2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		Please see the Corporation's Manual on Corporate Governance and Nomination Committee Charter posted in the website.
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant		Please see the Corporation's Manual on Corporate Governance, By-Laws, Information Statement, and Nomination Committee Charter
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant		Please see the Nomination Committee Charter posted in the website.
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		Please see the Corporation's Manual on Corporate Governance, By-Laws and Information Statement.
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		Please see the Corporation's Manual on Corporate Governance, By-Laws, Information Statement and Nomination Committee Charter posted in the website.
Optional: Recommendation to 2.6			

<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>		<p>Identify the professional search firm used or other external sources of candidates</p>	
<p>Recommendation 2.7</p>			
<p>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.</p>	<p>Compliant</p>	<p>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</p> <p>Identify transactions that were approved pursuant to the policy.</p>	<p>The Corporation has adopted a Related Party Transactions Policy. Please see link below to access the policy:</p> <p>http://xurpasgroup.com/wp-content/uploads/2017/11/2.-Xurpas-RPT-Policy-.pdf</p> <p>In 2017, there was no transaction which required the approval of the Related Party Transactions Committee.</p>
<p>2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.</p>	<p>Compliant</p>		<p>The Corporation has adopted a Related Party Transactions Policy. Please see link below to access the policy:</p> <p>http://xurpasgroup.com/wp-content/uploads/2017/11/2.-Xurpas-RPT-Policy-.pdf</p> <p>In 2017, there was no transaction which required the approval of the Related Party Transactions Committee.</p>

3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant		The policies implemented by the Corporation are being implemented for the entire Xurpas Group.
Supplement to Recommendations 2.7			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <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.	Compliant	Provide information on a materiality threshold for RPT disclosure and approval, if any. Provide information on RPT categories	Please see below link to access the Corporation's Related Party Transactions Policy: http://xurpasgroup.com/wp-content/uploads/2017/11/2.-Xurpas-RPT-Policy-.pdf
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.	Compliant	Provide information on voting system, if any.	Please see Related Party Transactions Policy posted in the website. Those covered by the materiality threshold as provided in the Policy will need to be reviewed by the Committee and accordingly endorsed to the Board. The Corporation also observes Section 32 of the Corporation Code wherein failure to comply with the conditions will require shareholders' approval.
Recommendation 2.8			

<p>1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>Compliant</p>	<p>Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management.</p> <p>Identify the Management team appointed</p>	<p>Section 1.11.2 of the Corporation's Manual on Corporate Governance provides that the Board shall elect the Chief Executive Officer, President and such other officers that comprise the management team.</p> <p>Please see below link to access the Corporation's Management Team:</p> <p>http://xurpasgroup.com/executive-committee/</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>Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.</p> <p>Provide information on the assessment process and indicate frequency of assessment of performance.</p>	<p>Section 1.11.2 of the Manual on Corporate Governance and Section 2.2.2 of the Board Charter provides that the Board has the responsibility of monitoring and assessing the performance of the Corporation's Management.</p>
<p>Recommendation 2.9</p>			
<p>1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.</p>	<p>Please see the Corporation's Manual on Corporate Governance and the Board Charter posted in the website.</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		Please see the Corporation's Board Charter posted in the website.
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	The Corporation has an Internal Audit Head, Mr. Erick Andrew R. Olonan. Please see the Corporation's Manual on Corporate Governance, the Board Charter, Audit Committee Charter and Related Party Transactions Policy posted in the website.
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant		Please see the Corporation's Manual on Corporate Governance, Related Party Transactions Policy and Conflict of Interest Policy.
3. Board approves the Internal Audit Charter.	Non-Compliant	Provide reference or link to the company's Internal Audit Charter	The Corporation has not established an internal audit charter. However, the roles and responsibilities of an Internal Audit Head/Team are outlined in the Manual on Corporate Governance. Further, the Corporation has already appointed Mr. Erick Andrew R. Olonan. His appointment reflects the Corporation's initiatives to establish an Internal Audit Team/Procedures.
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.	The Corporation has established a Board Risk Oversight Committee. It also has a Risk Management Policy posted in the website. http://xurpasgroup.com/wp-content/uploads/2017/11/5.-Xurpas_Enterprise-Risk-Management-.pdf
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 Corporation has established a Board Risk Oversight Committee. It also has a Risk Management Policy posted in the website. http://xurpasgroup.com/wp-content/uploads/2017/11/5.-Xurpas_Enterprise-Risk-Management-.pdf
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 see link below to access the Board Charter: http://xurpasgroup.com/wp-content/uploads/2018/05/Xurpas-Charter-of-the-Board-of-Directors.pdf
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant		Please see link below to access the Board Charter: http://xurpasgroup.com/wp-content/uploads/2018/05/Xurpas-Charter-of-the-Board-of-Directors.pdf

3. Board Charter is publicly available and posted on the company's website.	Compliant		Please see link below to access the Board Charter: http://xurpasgroup.com/wp-content/uploads/2018/05/Xurpas-Charter-of-the-Board-of-Directors.pdf
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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.	The Corporation has adopted an Insider Trading Policy to promote fairness to the investing public by preventing an individual or a particular group from profiting from any material information which is not available to the public. Please see link to access the Insider Trading Policy of the Corporation: http://xurpasgroup.com/wp-content/uploads/2017/11/6.-Xurpas_Insider-Trading-Policy-.pdf
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Optional: Principle 2

1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.		Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any.	
2. Company discloses the types of decision requiring board of directors' approval.		Indicate the types of decision requiring board of directors' approval and where there are disclosed.	

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

Recommendation 3.1

<p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on all the board committees established by the company.</p>	<p>The Corporation has established the following committees:</p> <ol style="list-style-type: none"> 1. Executive Committee 2. Audit Committee 3. Nomination Committee 4. Corporate Governance Committee 5. Board Risk Oversight Committee 6. Related Party Transactions Committee 7. Personnel and Compensation Committee <p>Please see link below to access information relating to the board committees of the Corporation:</p> <p>http://xurpasgroup.com/board-committees/</p>
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Recommendation 3.2

<p>1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the Audit Committee, including its functions.</p> <p>Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.</p>	<p>Please see below link to access the Audit Committee Charter:</p> <p>http://xurpasgroup.com/wp-content/uploads/2018/05/Xurpas-Audit-Committee-Charter.pdf</p> <p>The Audit Committee recommends the appointment and removal of the external auditor.</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>Non-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 Chairman of the Audit Committee is an independent director. One member of the Audit Committee is a non-executive director while the two members of the Audit Committee are executive directors. The Corporation believes that the Committee is able to perform its functions regardless of non-compliance with this recommendation.</p> <p>http://xurpasgroup.com/board-committees/</p>
<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	<p>Compliant</p>	<p>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 see below link to access the background of the directors:</p> <p>http://xurpasgroup.com/executive-committee/</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 see below link:</p> <p>http://xurpasgroup.com/executive-committee/ and</p> <p>http://xurpasgroup.com/board-committees/</p>

Supplement to Recommendation 3.2

1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.	The Audit Committee reviews all non-audit services conducted by the external auditor. It has the authority to disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. Please see Audit Committee Charter posted on the website. http://xurpasgroup.com/wp-content/uploads/2018/05/Xurpas-Audit-Committee-Charter.pdf
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Non-Compliant	Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.	The Audit Committee conducts meetings with the external audit team. However, such meetings are conducted in the presence of the management team. Considering that the roles and responsibilities of the Audit Committee are outlined in the charter, the committee is still able to fulfill its functions, regardless of the presence of the management team in the said meeting.
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.		Indicate the number of Audit Committee meetings during the year and provide proof	
2. Audit Committee approves the appointment and removal of the internal auditor.		Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.	
Recommendation 3.3			

<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>Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.</p>	<p>Please see Manual on Corporate Governance and Corporate Governance Committee Charter.</p> <p>http://xurpasgroup.com/wp-content/uploads/2017/09/Xurpas-Inc.-Revised-Manual-on-Corporate-Governance-FINAL.pdf</p> <p>http://xurpasgroup.com/wp-content/uploads/2018/05/Xurpas-Inc.-_-Charter-of-the-Corporate-Governance-Committee.pdf</p> <p>For those relating to qualifications of directors, the said role is assigned to the Nomination Committee.</p> <p>http://xurpasgroup.com/wp-content/uploads/2018/05/Xurpas-Nomination-Committee-Charter.pdf</p>
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2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Non-Compliant	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>Considering that the Corporation only has two independent directors as of date, the Corporate Governance Committee is composed of two independent directors and one non-executive director.</p> <p>Please see below link for the members of the committee and their qualifications:</p> <p>http://xurpasgroup.com/board-committees/ and http://xurpasgroup.com/executive-committee/</p> <p>Despite non-compliance, the functions of the Corporate Governance Committee is still being effectively performed by the existing members.</p>
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.	<p>Please see below link to access the document which provides that the Chairman of the Corporate Governance Committee is an independent director:</p> <p>http://xurpasgroup.com/board-committees/</p>
Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.		Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.	
Recommendation 3.4			

<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>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions</p>	<p>http://xurpasgroup.com/board-committees/</p> <p>Please see also access to the document which provides the Risk Management Policy of the Corporation:</p> <p>http://xurpasgroup.com/wp-content/uploads/2017/11/5.-Xurpas_Enterprise-Risk-Management-.pdf</p>
<p>2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship</p>	<p>Please see below links:</p> <p>http://xurpasgroup.com/board-committees/ and</p> <p>http://xurpasgroup.com/executive-committee/</p>
<p>3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.</p>	<p>Non-Compliant</p>	<p>Provide information or link/reference to a document containing information on the Chairman of the BROC</p>	<p>The Chairman of the BROC is also the Chairman of the Audit Committee. The Corporation believes that the functions of the two committees are not in conflict with each other, and as such, the Chairman can still perform his function despite being the chairman of both committees.</p> <p>Please see below links:</p> <p>http://xurpasgroup.com/board-committees/ and</p> <p>http://xurpasgroup.com/executive-committee/</p>

4. At least one member of the BROCC has relevant thorough knowledge and experience on risk and risk management.	Compliant	Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROCC.	Please see below links: http://xurpasgroup.com/board-committees/ and http://xurpasgroup.com/executive-committee/
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.	Please see Related Party Transactions Committee Charter. http://xurpasgroup.com/wp-content/uploads/2018/05/Xurpas-RPT-Committee-Charter.pdf
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Non-Compliant	Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.	Two members are independent directors, including the Chairman and one is a non-executive director. Please see below links: http://xurpasgroup.com/board-committees/ and http://xurpasgroup.com/executive-committee/ The Corporation believes that considering the size and business operations of the Corporation, the RPT committee is still able to establish its independence and is able to fully assist the Board. Further, there are no RPT transactions which needs to be approved by the Committee pursuant to the guidelines outlined in the RPT Policy.

Recommendation 3.6

<p>1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.</p>	<p>Non-Compliant</p>	<p>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 see below link for reference: http://xurpasgroup.com/governance-documents/</p> <p>The Corporation is still in the process of creating a Committee Charter for its Board Risk Oversight Committee. In any case, the Corporation believes that the said committee can still perform its objectives through the Risk Management Policy it is currently implementing.</p>
<p>2. Committee Charters provide standards for evaluating the performance of the Committees.</p>	<p>Compliant</p>		<p>Please see below link for reference: http://xurpasgroup.com/governance-documents/</p>
<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 see below link for reference: http://xurpasgroup.com/governance-documents/</p>

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

Recommendation 4.1

<p>1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.</p>	<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>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 see the Corporation's by-laws and the Board Charter posted in the website.</p> <p>Please see certification as submitted with the SEC attached as Annex "A".</p>
<p>2. The directors review meeting materials for all Board and Committee meetings.</p>	<p>Compliant</p>		<p>Please see the Corporation's Board Charter which provides that each member of the Board shall act on a fully informed basis, in good faith, with due diligence and care and in the best interest of the Corporation and its shareholders.</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 see the Corporation's Board Charter which provides that each member of the Board shall act on a fully informed basis, in good faith, with due diligence and care and in the best interest of the Corporation and its shareholders.</p>

Recommendation 4.2

<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>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 see Corporation's Manual on Corporate Governance which provides that non-executive directors shall concurrently serve as directors to a maximum of five (5) publicly-listed companies.</p> <p>http://xurpasgroup.com/executive-committee/</p>
<p>Recommendation 4.3</p>			
<p>1. The directors notify the company's board before accepting a directorship in another company.</p>	<p>Compliant</p>	<p>Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.</p>	<p>Section 1.1. of the Corporation's Manual on Corporate Governance provides that a director should notify the Board before accepting a directorship in another company.</p> <p>Please see Corporation's Manual on Corporate Governance.</p>
<p>Optional: Principle 4</p>			
<p>1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.</p>			
<p>2. Company schedules board of directors' meetings before the start of the financial year.</p> <p>3.</p>			
<p>4. Board of directors meet at least six times during the year.</p>		<p>Indicate the number of board meetings during the year and provide proof</p>	

5. Company requires as minimum quorum of at least 2/3 for board decisions.		Indicate the required minimum quorum for board decisions	
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs			
Recommendation 5.1			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Non-Compliant	Provide information or link/reference to a document containing information on the number of independent directors in the board	Despite not having three independent directors, the Board is still able to exercise an objective and independent judgment on all corporate affairs. http://xurpasgroup.com/executive-committee/
Recommendation 5.2			
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.	http://xurpasgroup.com/executive-committee/
Supplement to Recommendation 5.2			
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.	We confirm that the Corporation has no shareholder agreements, by-laws provisions or other arrangements that constrain the directors' ability to vote independently. Please see the Corporation's Definitive Information Statement and Manual on Corporate Governance.
Recommendation 5.3			

1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	Provide information or link/reference to a document showing the years IDs have served as such.	We confirm that independent directors serve for a cumulative term of nine years. As of date, all independent directors of the Corporation were appointed as such on December 2014. http://xurpasgroup.com/executive-committee/
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director	Please see the Corporation's Manual on Corporate Governance.
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Compliant	Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.	The Corporation has no intention to retain any independent director after the term limit of nine years.
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Non-Compliant	Identify the company's Chairman of the Board and Chief Executive Officer	The Corporation's Chairman and CEO are held by the same person. The Corporation's Manual on Corporate Governance does not prohibit such restriction. In any case, the Board considers that despite non-compliance, the Board is still able to exercise an objective and independent judgment on all corporate affairs.

<p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p>	<p>Non-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> <p>Identify the relationship of Chairman and CEO.</p>	<p>The roles of the Chairman and the Chief Executive Officer are provided in the Manual on Corporate Governance.</p> <p>As provided above, the position of Chairman and CEO are both held by Mr. Nico Jose S. Nollo. We note however that the Corporation's President is Mr. Raymond Gerard S. Racaza. Having Mr. Racaza as President supports the Corporation's position that it is still able to exercise an objective and independent judgment despite having the positions of Chairman and CEO held by the same person.</p>
<p>Recommendation 5.5</p>			
<p>1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any.</p> <p>Indicate if Chairman is independent.</p>	<p>Mr. Jonathan Gerard A. Gurango has been appointed as the lead director.</p>
<p>Recommendation 5.6</p>			
<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>Provide proof of abstention, if this was the case</p>	<p>Please see Conflict of Interest Policy. For 2017, there are no transactions which needs to be approved wherein a director has a material interest.</p>
<p>Recommendation 5.7</p>			

1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	Non-Compliant	Provide proof and details of said meeting, if any. Provide information on the frequency and attendees of meetings.	The non-executive directors have meetings with the external auditor however, there are executives present and this is in the course of the Audit Committee Meeting. The Corporation believes that despite the attendance of the executives, the non-executive directors are still able to exercise an independent judgment.
2. The meetings are chaired by the lead independent director.	Compliant		The meeting with the external auditor takes place during the Audit Committee Meeting. The Chairman of the Audit Committee is an independent director.

Optional: Principle 5

1. None of the directors is a former CEO of the company in the past 2 years.		Provide name/s of company CEO for the past 2 years	
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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

1. Board conducts an annual self-assessment of its performance as a whole.	Compliant	Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees	Please see Board Charter posted in the website. The members of the Board conduct an annual self-assessment of its performance as a whole.
2. The Chairman conducts a self-assessment of his performance.	Compliant		Please see Board Charter posted in the website. The Chairman conducts a self-assessment of his performance.

3. The individual members conduct a self-assessment of their performance.	Compliant		Please see Board Charter posted in the website. The individual members conduct a self-assessment of his performance.
4. Each committee conducts a self-assessment of its performance.	Non-Compliant		Based on the assessment of the Board, full compliance with this recommendation is not necessary taking into account the size, structure, risk profile and complexity of operations of the Corporation.
5. Every three years, the assessments are supported by an external facilitator.	Non-Compliant	Identify the external facilitator and provide proof of use of an external facilitator.	The Corporation has not hired any external facilitator as of date. The Board believes that considering the size, structure and risk profile of the Corporation, hiring of external facilitator is not needed as of date.

Recommendation 6.2

1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	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	Please see the Corporation's Manual on Corporate Governance and the Board Charter. http://xurpasgroup.com/wp-content/uploads/2017/09/Xurpas-Inc.-Revised-Manual-on-Corporate-Governance-FINAL.pdf http://xurpasgroup.com/wp-content/uploads/2018/05/Xurpas-Charter-of-the-Board-of-Directors.pdf
2. The system allows for a feedback mechanism from the shareholders.	Compliant		Please see the Corporation's Manual on Corporate Governance.

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

Recommendation 7.1

1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	Provide information on or link/reference to the company's Code of Business Conduct and Ethics.	Please see links to the difference policies being implemented by the Corporation: http://xurpasgroup.com/governance-documents/
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.	This has been routed to the Board, Key Officers and has been posted in the website to allow employees access to the said policies.
3. The Code is disclosed and made available to the public through the company website.	Complaint	Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed.	http://xurpasgroup.com/governance-documents/
Supplement to Recommendation 7.1			

<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 Corporation adopts an Anti-Corruption Policy which states:</p> <p>The employees are expected not to seek to gain any undue personal or pecuniary advantage from his dealings with or for an in behalf of the Corporation. The employees are expected to maintain the highest standards of honesty and professional conduct. Seeking of undue financial and material advantage arising from transactions involving the Corporation is considered as a breach of trust. For violations of this policy committed by employees, the Human Resources Department shall monitor, evaluate and impose the necessary penalties.</p>
<p>Recommendation 7.2</p>			
<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>Several Board committees and/or departments of the Corporation monitor compliance with these policies.</p>
<p>2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.</p>	<p>Compliant</p>	<p>Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.</p>	<p>Employees, Directors and Officers are required to comply with the said policies.</p>
<p>Disclosure and Transparency</p>			
<p>Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.</p>			

Recommendation 8.1

<p>1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.</p>	<p>Compliant</p>	<p>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>Xurpas shall make a full, fair, accurate and timely disclosure to the public of every material fact or event that occurs, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and stakeholders.</p> <p>Xurpas makes regular disclosure of the Corporation's financial results. Quarterly financial results are immediately disclosed (if available) after the approval by the Board to the PSE and SEC. Quarterly and year-end financial statements and detailed management's discussion and analysis are filed within 45 and 105 calendar days, respectively from the end of the financial period, in compliance with the requirements of the PSE and SEC. Xurpas' Management also ensures compliance on various disclosures prescribed by the SEC and the PSE rules. Any market-sensitive information is also immediately disclosed to the regulators and to the public through various modes of communication.</p> <p>Xurpas has also been consistent in the issuance of Press Releases and conduct of Analyst Briefings to discuss its financial performance and plans. Xurpas' Management also exerts effort in ensuring that the company website is up-to-date.</p>
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Supplement to Recommendations 8.1

<p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.</p>	<p>Non-Compliant</p>	<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>	<p>The consolidated financial statements are published within 105 calendar days from end of fiscal year, while interim reports are published within 45 days from the end of the reporting period, in accordance with the rules prescribed by the SEC and the PSE.</p>
<p>2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p>	<p>Compliant</p>	<p>Provide link or reference to the company's annual report where the following are disclosed:</p> <ol style="list-style-type: none"> 1. principal risks to minority shareholders associated with the identity of the company's controlling shareholders; 2. cross-holdings among company affiliates; and 3. any imbalances between the controlling shareholders' voting power and overall equity position in the company. 	<p>Please see Annual Report.</p>

Recommendation 8.2

<p>1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.</p>	<p>Compliant.</p>	<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>Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.</p>	<p>Within three (3) trading days upon change in their ownership of securities, the directors and key officers are required to inform the Chief Compliance Officer and/or Corporate Secretary of such trades and accordingly submit SEC Form 23-B. The Chief Compliance Officer and/or Corporate Secretary shall submit the said form with the regulatory bodies (Securities and Exchange Commission and Philippine Stock Exchange).</p>
<p>2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.</p>	<p>Compliant</p>		<p>Within three (3) trading days upon change in their ownership of securities, the directors and key officers are required to inform the Chief Compliance Officer and/or Corporate Secretary of such trades and accordingly submit SEC Form 23-B. The Chief Compliance Officer and/or Corporate Secretary shall submit the said form with the regulatory bodies (Securities and Exchange Commission and Philippine Stock Exchange).</p>

Supplement to Recommendation 8.2

<p>1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).</p>	<p>Compliant</p>	<p>Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders.</p> <p>Provide link or reference to the company's Conglomerate Map.</p>	<p>The Company discloses via PSE edge and by posting on the website any change in shareholdings of the directors/officers via SEC Form 23B.</p> <p>The list of shareholders are also disclosed within 15 days from the end of the quarter.</p> <p>All buy-back of shares are also disclosed via PSE edge and by posted on the company website.</p> <p>http://xurpasgroup.com/about-us/group-corporate-structure/</p>
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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 see link below to access the profile of each member of the Board:</p> <p>http://xurpasgroup.com/executive-committee/</p>
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<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 see link below to access the profile of the key officers:</p> <p>http://xurpasgroup.com/executive-committee/</p>
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Recommendation 8.4

<p>1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.</p>	<p>Compliant</p>	<p>Disclose or provide link/reference to the company policy and practice for setting board remuneration</p>	<p>The Board Charter provides that the Board shall adopt a policy which shall specify the relationship between the remuneration and performance of directors. The same policy shall be applied for purposes of determining the remuneration and performance of employees and Management. The level of remuneration should always be commensurate to the responsibilities of the role.</p> <p>Please see Audit Committee Charter and Personnel and Compensation Committee Charter.</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 Board Charter provides that the Board shall adopt a policy which shall specify the relationship between the remuneration and performance of directors. The same policy shall be applied for purposes of determining the remuneration and performance of employees and Management. The level of remuneration should always be commensurate to the responsibilities of the role.</p> <p>Please see Audit Committee Charter and Personnel and Compensation Committee Charter.</p>

3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.	Please see Information Statement.
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	<p>Disclose or provide reference/link to company's RPT policies</p> <p>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</p>	Please see Related Party Transactions Policy and Related Party Transactions Committee Charter posted in the website.

<p>2. Company discloses material or significant RPTs reviewed and approved during the year.</p>	<p>Compliant</p>	<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>Please see Annual Report for the disclosure on RPT transactions. For 2017, there is no significant Related Party Transactions which needs to be reviewed and approved by the Related Party Transactions Committee.</p>
Supplement to Recommendation 8.5			
<p>1. Company requires directors to disclose their interests in transactions or any other conflict of interests.</p>	<p>Compliant</p>	<p>Indicate where and when directors disclose their interests in transactions or any other conflict of interests.</p>	<p>Please see Conflict of Interest Policy posted in the website.</p>

Optional : Recommendation 8.5			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.		Provide link or reference where this is disclosed, if any	
Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Compliant	Provide link or reference where this is disclosed	Please see PSE/SEC Disclosures posted in the company website.
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant	Identify independent party appointed to evaluate the fairness of the transaction price Disclose the rules and procedures for evaluating the fairness of the transaction price, if any.	The Corporation appointed FTI Consulting for the acquisition of Art of Click Pte. Ltd.
Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Compliant	Provide link or reference where these are disclosed.	There are no shareholder agreements or voting trust agreements that may impact the control, ownership and strategic direction of the Corporation.
Recommendation 8.7			

1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	Provide link to the company's website where the Manual on Corporate Governance is posted.	http://xurpasgroup.com/wp-content/uploads/2017/09/Xurpas-Inc.-Revised-Manual-on-Corporate-Governance-FINAL.pdf
2. Company's MCG is submitted to the SEC and PSE.	Compliant		http://xurpasgroup.com/wp-content/uploads/2017/09/Xurpas-Inc.-Revised-Manual-on-Corporate-Governance-FINAL.pdf
3. Company's MCG is posted on its company website.	Compliant		http://xurpasgroup.com/wp-content/uploads/2017/09/Xurpas-Inc.-Revised-Manual-on-Corporate-Governance-FINAL.pdf
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	Provide proof of submission.	There are no amendments as of date.
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:		Provide link or reference to the company's Annual Report containing the said information.	
a. Corporate Objectives			
b. Financial performance indicators			

c. Non-financial performance indicators			
d. Dividend Policy			
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors			
f. Attendance details of each director in all directors meetings held during the year			
g. Total remuneration of each member of the board of directors			
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.		Provide link or reference to where this is contained in the Annual Report	

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.		Provide link or reference to where this is contained in the Annual Report	
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.		Provide link or reference to where this is contained in the Annual Report	
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).		Provide link or reference to where these are contained in the Annual Report	

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

1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.	The Audit Committee Charter provides that the Committee shall ensure that there is an established process on the appointment, reappointment, removal and fees of the external auditor, subject to the Board approval and ratified by the stockholders.
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2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	Compliant	Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.	Please see Audit Committee Charter and Minutes of the Stockholders' Meeting posted in the website.
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant	Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.	There has been no recommendation to remove or change the existing external auditor of the Corporation.
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years.	Please see Annual report and Information Statement.
Recommendation 9.2			

<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <ul style="list-style-type: none"> i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. 	Compliant	Provide link/reference to the company's Audit Committee Charter	<p>Please see below link to access the Audit Committee Charter:</p> <p>http://xurpasgroup.com/wp-content/uploads/2018/05/Xurpas-Audit-Committee-Charter.pdf</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	Provide link/reference to the company's Audit Committee Charter	<p>Please see below link to access the Audit Committee Charter:</p> <p>http://xurpasgroup.com/wp-content/uploads/2018/05/Xurpas-Audit-Committee-Charter.pdf</p>
Supplement to Recommendations 9.2			

1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Compliant	Provide link/reference to the company's Audit Committee Charter	Please see below link to access the Audit Committee Charter: http://xurpasgroup.com/wp-content/uploads/2018/05/Xurpas-Audit-Committee-Charter.pdf
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	Provide link/reference to the company's Audit Committee Charter	Please see below link to access the Audit Committee Charter: http://xurpasgroup.com/wp-content/uploads/2018/05/Xurpas-Audit-Committee-Charter.pdf
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.	Please see Annual Report and Information Statement.
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	Please see Annual Report and Information Statement.
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.	Please see Annual Report and Information Statement.
Additional Recommendation to Principle 9			

<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; 2. Accreditation number; 3. Date Accredited; 4. Expiry date of accreditation; and 5. Name, address, contact number of the audit firm. 	<ol style="list-style-type: none"> 1. Dolmar C. Montañez 2. 1561-A (Group A) 3. April 21, 2016 4. April 21, 2019 5. Sycip Gorres Velayo & Co.
<p>6. 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>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; 2. Name of the Audit firm; and 3. Members of the engagement team inspected by the SEC. 	<p>SGV may be subjected to SEC Oversight Assurance Review (SOAR) Inspection Program to be conducted by the SEC's Office of the General Accountant (OGA).</p> <p>SEC has not implemented the SOAR Inspection Program as of date.</p>

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

Recommendation 10.1

1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Non-Compliant	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.	The Corporation, as of date, does not adopt a policy on disclosure of non-financial information, including EESG issues. The Board believes that taking into account the structure, size, and risk profile of the Corporation, such is not necessary as of date.
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Non-Compliant	Provide link to Sustainability Report, if any. Disclose the standards used.	The Corporation, as of date, does not have a sustainability report. The Board believes that taking into account the structure, size, and risk profile of the Corporation, such is not necessary as of date.

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

Recommendation 11.1

1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	Compliant	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.	The Company uses the website, analysts' briefing and disclosures via PSE Edge. The recording and the transcript of the analyst briefing is also posted on the company website.
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Supplemental to Principle 11

1. Company has a website disclosing up-to-date information on the following:		Provide link to company website	
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a. Financial statements/reports (latest quarterly)	Compliant		http://xurpasgroup.com/financial-documents/
b. Materials provided in briefings to analysts and media	Compliant		http://xurpasgroup.com/financial-documents/
c. Downloadable annual report	Compliant		http://xurpasgroup.com/financial-documents/
d. Notice of ASM and/or SSM	Compliant		http://xurpasgroup.com/corporate-governance/annual-stockholders-meeting-documents/
e. Minutes of ASM and/or SSM	Compliant		http://xurpasgroup.com/corporate-governance/annual-stockholders-meeting-documents/
f. Company's Articles of Incorporation and By-Laws	Compliant		Please see Corporate Documents posted in the website.

Additional Recommendation to Principle 11

1. Company complies with SEC-prescribed website template.	Compliant		
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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

<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.</p> <p>Indicate frequency of review of the internal control system</p>	<p>The Internal Audit has already established programs relating to the following:</p> <ol style="list-style-type: none"> 1. Capital asset management 2. Payroll 3. Advances 4. Purchase of goods 5. Revenue flow <p>The said programs are reviewed periodically.</p>
<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>Non-Compliant</p>	<p>Identify international framework used for Enterprise Risk Management</p> <p>Provide information or reference to a document containing information on:</p> <ol style="list-style-type: none"> 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>Indicate frequency of review of the enterprise risk management framework.</p>	<p>The Corporation is in the process of establishing an Enterprise Risk Management Framework.</p> <p>The Corporation has already established an Enterprise Risk Management Committee and has approved a Risk Management Policy. These acts reflect that the Corporation is committed in establishing an enterprise risk management framework to assess the risks which affects the Corporation.</p>

Supplement to Recommendations 12.1

<p>1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.</p>	<p>Non-Compliant</p>	<p>Provide information on or link/reference to a document containing the company's compliance program covering compliance with laws and relevant regulations.</p> <p>Indicate frequency of review.</p>	<p>The Corporation does not have a comprehensive enterprise-wide compliance program as of date. However, the Corporation's Chief Legal Counsel regularly updates the Board and Management with respect to new laws and regulations which may affect the Corporation.</p> <p>The Corporation is in the process of establishing a formal enterprise-wide compliance program.</p>
<p>Optional: Recommendation 12.1</p>			
<p>1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.</p>		<p>Provide information on IT governance process</p>	
<p>Recommendation 12.2</p>			
<p>1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.</p>	<p>Compliant</p>	<p>Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.</p>	<p>The Corporation has appointed Mr. Erick Andrew R. Olonan (outsourced) as Internal Audit Head.</p>

Recommendation 12.3

1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Non-Compliant	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.	The Corporation only has an outsourced Internal Audit Head as of date. Considering the size and business operations of the Corporation, the functions of a Chief Audit Executive are temporarily being handled by the Internal Audit Head.
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	Non-Compliant		Internal audit activities are being handled by the Internal Audit Head.
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.	The Internal Audit Head is managed by the Chief Finance Officer. However, the Internal Audit Head directly reports to the Audit Committee.

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.	<p>The Corporation has already established an Enterprise Risk Management Committee.</p> <p>http://xurpasgroup.com/board-committees/</p> <p>The Risk Management Policy has also been approved:</p> <p>http://xurpasgroup.com/wp-content/uploads/2017/11/5.-Xurpas_Enterprise-Risk-Management-.pdf</p>
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	Non-Compliant	Identify source of external technical support, if any.	The Corporation may seek professional technical support in risk management as needed. The Corporation did not engage third party expertise on risk management for 2017.
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).	Non-Compliant	Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.	The Corporation has not appointed a Chief Risk Officer as of date. We note however that the risks are being regularly evaluated by the Board. The Corporation has also established an Enterprise Risk Management Committee that will evaluate the risk exposure of the Corporation.
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Non-Compliant		The Corporation has not appointed a Chief Risk Officer as of date. The Corporation is in the process of finding a candidate for the said position.
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.	Non-Compliant	Provide link to CEO and CAE's attestation	The Corporation is in the process of implementing a policy relating to this.
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.	Please see below link to the Corporation's Manual on Corporate Governance: http://xurpasgroup.com/wp-content/uploads/2017/09/Xurpas-Inc.-Revised-Manual-on-Corporate-Governance-FINAL.pdf
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Provide link to company's website	Please See Annual Report and Information Statement
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	Compliant		Please see By-Laws and Information Statement.
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	Provide information on all classes of shares, including their voting rights if any.	Please see Amended Articles of Incorporation and Information Statement.
3. Board has an effective, secure, and efficient voting system.	Compliant	Provide link to voting procedure. Indicate if voting is by poll or show of hands.	Please see Amended By-Laws and Information Statement. Please see also Nomination Committee Charter.

4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	Compliant	Provide information on shareholder voting mechanisms such as supermajority or "majority of minority", if any.	Please see By-Laws and Information Statement. The Corporation also observes the shareholder vote requirements provided in the Corporation Code.
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Compliant	Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution)	Please see the Corporation's By-Laws and Manual on Corporate Governance.
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	Provide information or link/reference to the policies on treatment of minority shareholders	Please see By-Laws and Information Statement.
7. Company has a transparent and specific dividend policy.	Compliant	<p>Provide information on or link/reference to the company's dividend Policy.</p> <p>Indicate if company declared dividends. If yes, indicate the number of days within which the dividends were paid after declaration. In case the company has offered scrip-dividends, indicate if the company paid the dividends within 60 days from declaration</p>	<p>Please see Annual Report and Information Statement.</p> <p>The Corporation has complied with the period requirements provided under SEC and PSE rules in matters relating to dividend declaration.</p>

Optional: Recommendation 13.1

1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.		Identify the independent party that counted/validated the votes at the ASM, if any.	
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Non-Compliant	<p>Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out</p> <p>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</p> <p>Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS)</p>	<p>The Corporation distributes the Information Statement to all stockholders at least 16 days prior to the said meeting.</p> <p>http://xurpasgroup.com/sec-filings/</p>
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:		Provide link or reference to the company's notice of Annual Shareholders' Meeting	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant		See Information Statement

b. Auditors seeking appointment/re-appointment	Compliant		See Information Statement
c. Proxy documents	Compliant		See Information Statement
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting		Provide link or reference to the rationale for the agenda items	
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.	Non-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.	Although the said documents are not made publicly available the next working day, the Corporation uploads the same in the website, once available. The Corporation intends to implement / comply with this recommendation for 2018.

<p>2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.</p>	<p>Non-Compliant</p>	<p>Provide link to minutes of meeting in the company website.</p> <p>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.</p> <p>Indicate also if the voting on resolutions was by poll.</p> <p>Include whether there was opportunity to ask question and the answers given, if any</p>	<p>Although the said documents are not made publicly available within five business days, the Corporation uploads the same in the website, once available. The Corporation intends to implement / comply with this recommendation for 2018.</p>
<p>Supplement to Recommendation 13.3</p>			
<p>1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.</p>	<p>Compliant</p>	<p>Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting</p>	<p>Please see Minutes of the Meeting posted in the website.</p>
<p>Recommendation 13.4</p>			
<p>1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.</p>	<p>Compliant</p>	<p>Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes</p>	<p>The Manual on Corporate Governance provides:</p> <p>The Board is responsible for establishing an alternative dispute resolution system to resolve intra-corporate disputes in an amicable and effective manner.</p> <p>The alternative dispute resolution system of the Corporation may include arbitration, mediation, conciliation, early neutral evaluation, mini-trial, or any combination thereof, as the Corporation and circumstances deem fit.</p>

2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	Provide link/reference to where it is found in the Manual on Corporate Governance	<p>The Manual on Corporate Governance provides:</p> <p>The Board is responsible for establishing an alternative dispute resolution system to resolve intra-corporate disputes in an amicable and effective manner.</p> <p>The alternative dispute resolution system of the Corporation may include arbitration, mediation, conciliation, early neutral evaluation, mini-trial, or any combination thereof, as the Corporation and circumstances deem fit.</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 	<ol style="list-style-type: none"> 1. Ms. Erica Sarmiento-Lim 2. (632) 889-6467 3. Erica@xurpas.com
4. IRO is present at every shareholder's meeting.	Compliant	Indicate if the IRO was present during the ASM.	The IRO was present during the 2017 ASM.
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 Corporation adopts a one share, one vote policy. As such, minority is adequately represented in shareholder actions.

2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Compliant	Indicate the company's public float.	As of March 31, 2018, public float is at 31.59%.
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Optional: Principle 13

1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting		Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.		Disclose the process and procedure for secure electronic voting in absentia, if any.	

Duties to Stakeholders

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

Recommendation 14.1

1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	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.	Please see Manual on Corporate Governance.
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Recommendation 14.2

1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	Identify policies and programs for the protection and fair treatment of company's stakeholders	Please see Manual on Corporate Governance.
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Recommendation 14.3

1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	Compliant	Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights. Provide information on whistleblowing policy, practices and procedures for stakeholders	Please see Manual on Corporate Governance.
Supplement to Recommendation 14.3			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	Compliant	Provide information on the alternative dispute resolution system established by the company.	Please see Manual on Corporate Governance.
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	Disclose any requests for exemption by the company and the reason for the request.	The Corporation adheres to the highest standards of corporate governance in the conduct of its operations. It does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue.
2. Company respects intellectual property rights.	Compliant	Provide specific instances, if any.	The Corporation respects intellectual property rights and has no pending related legal proceedings material in nature that may cause significant adverse impact in its operations.

Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare		Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same.	
2. Company discloses its policies and practices that address supplier/contractor selection procedures		Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same.	
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Compliant	Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.	Please see Policy and data relating to health, safety and welfare of employees, including company sponsored trainings posted in the website. http://xurpasgroup.com/wp-content/uploads/2017/11/1-Xurpas-Policy-on-Health-Safety-and-Welfare-of-Employees-.pdf
Supplement to Recommendation 15.1			

<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>Please see Policy and data relating to health, safety and welfare of employees, including company sponsored trainings posted in the website.</p> <p>http://xurpasgroup.com/wp-content/uploads/2017/11/1-Xurpas-Policy-on-Health-Safety-and-Welfare-of-Employees-.pdf</p> <p>Approval of the Corporation's ESOP is also pending with the SEC.</p>
<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 see Policy and data relating to health, safety and welfare of employees, including company sponsored trainings posted in the website.</p> <p>http://xurpasgroup.com/wp-content/uploads/2017/11/1-Xurpas-Policy-on-Health-Safety-and-Welfare-of-Employees-.pdf</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>Please see Policy and data relating to health, safety and welfare of employees, including company sponsored trainings posted in the website.</p> <p>http://xurpasgroup.com/wp-content/uploads/2017/11/1-Xurpas-Policy-on-Health-Safety-and-Welfare-of-Employees-.pdf</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>The Board has implemented a policy wherein it states that employees are expected not to seek to gain any undue personal or pecuniary advantage from their dealings with or for an on behalf of the Corporation. The employees are expected to maintain the highest standard of honesty and professional conduct. Seeking of undue financial and material advantage arising from transactions involving the Corporation is considered as a breach of trust. The Human Resources Department of the Corporation shall monitor violations of this policy and shall evaluate and impose the necessary penalties arising from the violation of this policy.</p> <p>Please see Anti-Corruption Policy posted in the website.</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 posted on the Corporation's website to ensure access by all employees across the organization.</p>

Supplement to Recommendation 15.2

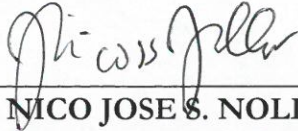
<p>1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.</p>	<p>Compliant</p>	<p>Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices.</p> <p>Include any finding of violations of the company policy.</p>	<p>The Board has implemented a policy wherein it states that employees are expected not to seek to gain any undue personal or pecuniary advantage from their dealings with or for an on behalf of the Corporation. The employees are expected to maintain the highest standard of honesty and professional conduct. Seeking of undue financial and material advantage arising from transactions involving the Corporation is considered as a breach of trust. The Human Resources Department of the Corporation shall monitor violations of this policy and shall evaluate and impose the necessary penalties arising from the violation of this policy.</p> <p>Please see Anti-Corruption Policy posted in the website.</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 whistle-blowing policy and procedure for employees.</p> <p>Indicate if the framework includes procedures to protect the employees from retaliation.</p> <p>Provide contact details to report any illegal or unethical behavior.</p>	<p>Please see Whistle Blowing Policy and Procedure posted in the website.</p> <p>http://xurpasgroup.com/wp-content/uploads/2017/11/3.-Xurpas-WhistleBlowing-Policy-.pdf</p> <p>The contact details are provided in the link.</p>

2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant		Please see Whistle Blowing Policy and Procedure posted in the website. http://xurpasgroup.com/wp-content/uploads/2017/11/3.-Xurpas-WhistleBlowing-Policy-.pdf
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.	Please see Whistle Blowing Policy and Procedure posted in the website. http://xurpasgroup.com/wp-content/uploads/2017/11/3.-Xurpas-WhistleBlowing-Policy-.pdf
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	Provide information or reference to a document containing information on the company's community involvement and environment-related programs.	Please see link below which identifies the Corporation's CSR initiatives: http://xurpasgroup.com/corporate-social-responsibility/
Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development		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.	

2. Company exerts effort to interact positively with the communities in which it operates		Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.	
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Pursuant to the requirement of the Securities and Exchange Commission and the Philippine Stock Exchange, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereto duly authorized, in the City of PASIG CITY on MAY 30 2018, 2018.

SIGNATURES



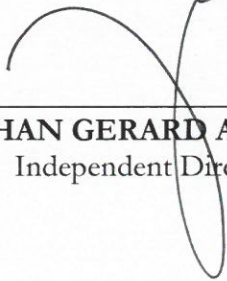
NICO JOSE S. NOLLEDO

Chairman of the Board of Directors and
Chief Executive Officer



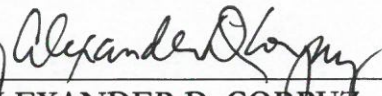
ALVIN D. LAO

Independent Director



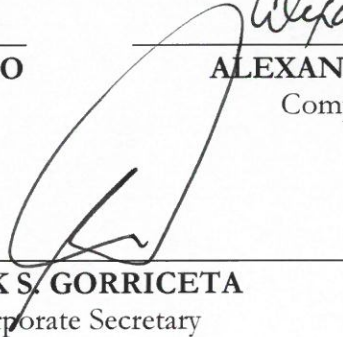
JONATHAN GERARD A. GURANGO

Independent Director



ALEXANDER D. CORPUZ

Compliance Officer



MARK S. GORRICETA

Corporate Secretary

SUBSCRIBED AND SWORN to before me this ____ day of MAY 30 2018, 2018, affiant(s) exhibiting to me their competent evidence of identity as follows:

Name	ID No.	Date of Expiration
Nico Jose S. Nollado	P3513313A	June 27, 2022
Alvin D. Lao	EC2844011	November 26, 2019
Jonathan Gerard A. Gurango	EB8429510	June 18, 2018
Alexander D. Corpuz	P5670777A	January 17, 2023
Mark S. Gorriceta	EC5401039	September 18, 2020

Doc. No. 339 ;
Page No. 69 ;
Book No. 3 ;
Series of 2018.


ATTY. JEMIMAH ESTELLE T. BARTOLOME
Notary Public
PTR No. 3862288/01.10.18/Pasig City
IBP No. 024673/01.09.18/Makati City
Roll No. 62902
MCLE Compliance Cert. No. V-0020498/04.20.16
Address: 15th Floor Strata 2000 F. Ortigas Jr.
Ortigas Center, Pasig City
Appointment No. 145 (2017- 2018) Pasig City
Expiring on 31 December 2018

CERTIFICATION

I, **MARK S. GORRICETA**, of legal age, Filipino and with office address at 15F and 4F Strata 2000 Building, F. Ortigas Jr. Road, Ortigas Center Pasig City, Philippines, hereby certify that:

1. I am the incumbent Corporate Secretary of **XURPAS INC.**, (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines with principal office address at 7th Floor Cambridge Centre Building, 108 Tordesillas Street, Salcedo Village, Makati City;
2. The following is the summary of the record of attendance of the members of the Board of Directors of the Corporation for the year 2017:

Director	Number of Board Meetings Attended
Nico Jose S. Nolledo	12
Raymond Gerard S. Racaza	12
Fernando Jude F. Garcia	12
Mercedita S. Nolledo	11
Wilfredo O. Racaza	10
Alvin D. Lao	9
Jonathan Gerard A. Gurango	11

3. This Certification is submitted in compliance with the requirement of the Securities and Exchange Commission on the annual reporting on attendance of the members of the Board of Directors in meetings.

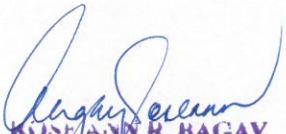
Signed this DEC 29 2017 at PASIG CITY, Philippines.

MARK S. GORRICETA
*Corporate Secretary, Chief Legal Officer &
Assistant Chief Information Officer*

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

Subscribed and sworn to before me this DEC 29 2017 in
PASIG CITY, Philippines, affiant exhibiting to me his Philippine Passport No.
EC5401039 issued on September 19, 2015 and valid until September 18, 2020.

Doc. No. 343;
Page No. 80;
Book No. I;
Series of 2017.


ROSE ANN R. BAGAY
PTR No. 2624442/01-18-2017/ Pasig City
IBF No. 1070606; 01-26-17/ Cavite City
Roll No. 64361
MCLE Compliance No. V-0014543; 02-29-2016
15/F Strata 2000, F. Ortigas Jr. Road,
Ortigas Center, Pasig City
Telephone No. 696-0687; 696-0988
Appointment No. 209 (2016-2017) - Pasig City
Commissioned until 31 December 2017