

SECURITIES AND EXCHANGE COMMISSION

SEC FORM - I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended
Dec 31, 2020
2. SEC Identification Number
PW538
3. BIR Tax Identification Number
000225442
4. Exact name of issuer as specified in its charter
FAR EASTERN UNIVERSITY, INC.
5. Province, country or other jurisdiction of incorporation
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
Nicanor Reyes Street, Sampaloc, Manila
Postal Code
1015
8. Issuer's telephone number, including area code
02-8735-8686
9. Former name, former address, and former fiscal year, if changed since last report
Not Applicable

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



Far Eastern University, Incorporated

FEU

PSE Disclosure Form I-ACGR - Integrated Annual Corporate Governance Report
Reference: SEC Code of Corporate Governance for Publicly-Listed Companies, PSE
Corporate Governance Guidelines, and ASEAN Corporate Governance Scorecard

Description of the Disclosure
Submitting Far Eastern University, Inc.'s 2020 Integrated Annual Corporate Governance Report (I-ACGR), in accordance with the SEC Memorandum Circular No. 15, Series of 2017.



FAR EASTERN UNIVERSITY

04 June 2021

Securities and Exchange Commission
Secretariat Building, PICC Complex
Roxas Boulevard, Pasay City

Attention: Ms. Rachel Esther J. Gumtang - Remalante
Director
Corporate Governance and Finance Department



Nicanor Reyes Street
Sampaloc, Manila
P.O. Box 609 Philippines 1015
(632) 725 5621
www.feu.edu.ph

Dear Ma'am:

In compliance with SEC Memorandum Circular No. 15, Series of 2017, we are submitting herewith the 2020 Integrated Annual Corporate Governance Report (I-ACGR) of the Far Eastern University, Incorporated.

The report is signed by the following required signatories:

Mr. Aurelio R. Montinola
Dr. Michael M. Alba
Dr. Edilberto C. De Jesus
Ms. Sherisa P. Nuesa
Mr. Jose T. Sio
Mr. Glenn Z. Nagal

Chairman of the Board & Chief Exec. Officer
President & Chief Operating Officer
Lead Independent Director
Independent Director
Independent Director
Compliance Officer

Thank you.

Very truly yours,

Far Eastern University, Inc.

By:

Atty. Anthony Raymond A. Goquingco
Corporate Secretary



SEC FORM - I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the year - 2020
2. SEC Identification Number - PW-538
442
3. BIR Tax Identification No. - 000-225-
4. THE FAR EASTERN UNIVERSITY, INCORPORATED, doing business under the name and style FAR EASTERN UNIVERSITY
Exact name of issuer as specified in its charter
5. Metro Manila, Philippines
Province, Country or other jurisdiction of incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. Nicanor Reyes Street, Sampaloc, Manila
Address of principal office
- 1015
Postal Code
8. 02-88494000
Issuer's telephone number, including area code
9. No change as to name, address and fiscal year since last report.
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Principle 1: The company should be headed by a competent, working board to foster the long-term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company’s industry/sector.	Compliant	Please see Board of Trustees’ profile in the 2020 Definitive Information Statement (SEC form 20 IS), pages 5-8 in the link below: https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#page=10 Qualifications and disqualifications of the Board of Trustees as provided in FEU’s Amended By-Laws. Please see Amended By-Laws, Section XXIX - Nomination Committee, pages 7-9 in the link below: https://investors.feu.edu.ph/documents/index/feu_bylaws.pdf#page=9	
2. Board has an appropriate mix of competence and expertise.	Compliant		
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant		
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Compliant	The 9-man/woman Board of Trustees of FEU was composed of four (4) non-executive trustees, two (2) executive trustees and three (3) non-executive independent trustees. The members of the Board of Trustees are as follows:	

		<p>Non-Executive Trustees:</p> <ol style="list-style-type: none"> 1. Dr. Lourdes R. Montinola ¹ 2. *Ms. Angelina P. Jose ²(passed away on 30 March 2021) 3. Dr. Paulino Y. Tan ² 4. Mr. Antonio R. Montinola² <p>¹ Designated as Chair Emeritus, an honorary title with no executive function. ² No executive function.</p> <p>Executive Trustees:</p> <ol style="list-style-type: none"> 5. Mr. Aurelio R. Montinola III, Chairman of the Board & CEO 6. Dr. Michael M. Alba, President & COO <p>Non-Executive Independent Trustees:</p> <ol style="list-style-type: none"> 7. Dr. Edilberto C. De Jesus 8. Mr. Jose T. Sio 9. Ms. Sherisa P. Nuesa <p>Please see link below (Board of Trustees):</p> <p>https://investors.feu.edu.ph/</p>	
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	<p>FEU's Manual on Corporate Governance, duly approved by its Board of Trustees and posted on the university website, states that the university shall provide all trustees with relevant training and continuing education program.</p> <p>Please see Manual on Corporate Governance, page 5 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf#page=5</p>	

		<p>The continuing education program for all Trustees is similarly highlighted in the Board Charter.</p> <p>Please see the Board Charter, Item no. 13, page 3 in the link below:</p> <p>https://investors.feu.edu.ph/documents/charters/FEU%20Charter%20-%20Board.pdf#page=3</p>	
2. Company has an orientation program for first time directors.	Compliant	<p>FEU has an orientation program for its first time Trustees. However, it did not have a first time Trustee in 2020.</p> <p>Please see Manual on Corporate Governance, Section III – Item A no. 2, page 1 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf#page=5</p>	
3. Company has relevant annual continuing training for all directors.	Compliant	<p>Due to the Covid-19 pandemic, trainings and seminars attended by the Board, from March 2020 onwards, were held via remote online communication.</p> <p>Board Chairman Aurelio R. Montinola III attended the:</p> <ul style="list-style-type: none"> • Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF), Board of Directors and Senior Management Refresher Training, conducted by SGV, held on 30 September 2020. • Webinar on Corporate Governance, conducted by Risk, Opportunities, Assessment and Management (ROAM), Inc., held on 25 September 2020. <p>President Michael M. Alba attended and/or participated as speaker/lecturer in various conferences in 2020:</p> <ul style="list-style-type: none"> • Sustainable Solutions Development Network (SDSN) Leadership Council Meeting, held on 19 February 2020, at the Ateneo De Manila University; 	

		<ul style="list-style-type: none"> • CHED’s Research-Based Continuing Education Project, held on 06 July 2020; • FINEX Foundation: Teaching Business Under the New Norm, held on 15 July 2020; • IFC Education Webinar Series: Digital Landscape in Higher Education, held on 28 October 2020; • FEU Public Policy Center Seminar Urban-novation, held on 08 December 2020. <p>Trustee Angelina P. Jose attended the:7th SEC-PSE Corporate Governance Forum, held on 19 November 2020.</p> <p><i>*Ms. Angelina P. Jose, passed away on 30 March 2021</i></p> <p>Independent Trustee Sherisa P. Nuesa attended the:</p> <ul style="list-style-type: none"> • Future Ready Boards: A Deep Dive, conducted by ICD on 28 May 2020; • Technology Governance for Directors, conducted by ICD on 21 October 2020; • Ayala Integrated Corporate Governance Summit, held on 10 November 2020; • 7th SEC-PSE Corporate Governance Forum, held on 19 November 2020. <p>Independent Trustee Jose T. Sio attended the Advanced Corporate Governance Training conducted by the Institute of Corporate Directors on 23 October 2020.</p>	
Recommendation 1.4			
I. Board has a policy on board diversity.	Compliant	<p>Please see Manual on Corporate Governance, Section III – Item A no. 1, page 1 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf#page=5</p>	

		<p>Please see Amended By-Laws, Section XXIX - Nomination Committee, page 7 in the link below:</p> <p>https://investors.feu.edu.ph/documents/index/feu_bylaws.pdf#page=9</p> <p>Board diversity is also a significant factor in nominating members of the board.</p> <p>https://investors.feu.edu.ph/documents/charters/FEU%20Charter%20-%20Board.pdf</p> <p>At present, the Board of Trustees is composed of six (6) males and three (3) females, one of whom is a Female Independent Trustee.</p>											
Optional: Recommendation 1.4													
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	Compliant	<p>Board diversity in gender, age, skills, competence, knowledge and industry expertise are considerations in the selection of the Board members, especially for the choice of Non-Executive Independent Trustees.</p> <p>The matrix below demonstrates the objectives that the Board has achieved in 2020 in terms of diversity in its membership:</p> <table><tr><th>Objectives</th><th>2020</th></tr><tr><td>Gender - Mix of male/female directors</td><td>√</td></tr><tr><td>Age ranges from 50-90</td><td>√</td></tr><tr><td>Expertise/Background/Experience/Industry – Education, Finance/Audit, Risk Management, Banking, Manufacturing, Real Estate, Management</td><td>√</td></tr><tr><td>Affiliations – Education, Governance, Advocacy Groups</td><td>√</td></tr></table>	Objectives	2020	Gender - Mix of male/female directors	√	Age ranges from 50-90	√	Expertise/Background/Experience/Industry – Education, Finance/Audit, Risk Management, Banking, Manufacturing, Real Estate, Management	√	Affiliations – Education, Governance, Advocacy Groups	√	
Objectives	2020												
Gender - Mix of male/female directors	√												
Age ranges from 50-90	√												
Expertise/Background/Experience/Industry – Education, Finance/Audit, Risk Management, Banking, Manufacturing, Real Estate, Management	√												
Affiliations – Education, Governance, Advocacy Groups	√												

		<p>Please see the profile of the Board of Trustees in the 2020 Definitive Information Statement (SEC Form 20 IS), pages 39-42 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#=39</p> <p>Please see FEU Amended By-Laws, Qualifications and Disqualifications of a Board Trustee under Nomination Committee, pages 7 – 9; and Manual on Corporate Governance, Section III – Item A no. 1, page 1 - in the links below:</p> <p>https://investors.feu.edu.ph/documents/index/feu_bylaws.pdf#page=9</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf#page=5</p>	
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	<p>Please see profile of Atty. Anthony Raymond A. Goquingco, FEU's Corporate Secretary, in the 2020 Definitive Information Statement (SEC Form 20 IS), page 10 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#page=16</p>	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant	Former incumbent passed away last 29 March 2020. The position remains vacant for the rest of the year, as the search for replacement has been hampered due to the pandemic.	

		<p>On 21 April 2021, Mr. Glenn Z. Nagal was appointed as the company's Compliance Officer, concurrent to his role as Comptroller. Please see link below for the PSE disclosure related to this appointment:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2021/04212021/20Apr2021_PSE%20Form%204-8_Appointment%20of%20Mr.%20Nagal-Compliance%20Officer-amended1-merged.pdf</p>	
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		
4. Corporate Secretary attends training/s on corporate governance.	Compliant	The Corporate Secretary was the key speaker in the Book Launch and Lecture for: Beyond Borders: Examining Special Issues in International Law (2020 Edition), which was written by him.	Atty. Goquingco was appointed Acting Corporate Secretary in April 2020, and confirmed appointment as Corporate Secretary in October 2020. Concurrently, he performs his role as regular and fulltime faculty of the FEU Institute of Law. This responsibility requires him to stay regularly abreast to legal practices and corporate regulations. Attendance to seminars focused on corporate governance will be pursued in 2021.
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	Compliant	Critical materials, such as Minutes of the previous board meeting, are distributed ahead via email to the board, for advance reference and feedback as may be required.	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	<p>Former incumbent passed away last 29 March 2020. The position remains vacant, as the search for replacement has been hampered due to the pandemic.</p> <p>On 21 April 2021, Mr. Glenn Z. Nagal was appointed as the company's Compliance Officer. Please see link below for the PSE disclosure related to this appointment:</p>	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant		
3. Compliance Officer is not a member of the board.	Compliant		

		https://investors.feu.edu.ph/reports%20new%20format/2021/04212021/20Apr2021_PSE%20Form%204-8_Appointment%20of%20Mr.%20Nagal-Compliance%20Officer-amended1-merged.pdf Mr. Nagal is concurrently FEU, Inc’s Comptroller. While his rank is below that of a Senior Vice President, he has direct reporting line to the Board which provides him adequate stature and authority in the University. He is not a member of the Board.	
4. Compliance Officer attends training/s on corporate governance.	Compliant	Former incumbent passed away last 29 March 2020. The position remains vacant, as the search for replacement has been hampered due to the pandemic. On 21 April 2021, Mr. Glenn Z. Nagal was appointed as the company’s Compliance Officer, concurrent to his role as Comptroller. Please see link below for the PSE disclosure related to this appointment: https://investors.feu.edu.ph/reports%20new%20format/2021/04212021/20Apr2021_PSE%20Form%204-8_Appointment%20of%20Mr.%20Nagal-Compliance%20Officer-amended1-merged.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			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	The minutes of the Board and Board Committees record the Board actions taken on a recommendation, presentation or report (like approval, disapproval, deferment for further study and/or deliberation, notation, including comments and directives to management and others).	

		Even before the actual meeting, Trustees at times would ask for additional information, supporting documents, and justifications for an item or items in the agenda.	
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	<p>The Board oversees the development of and approve the company's business objectives and strategy, and monitor their implementation, in order to sustain the company's long-term viability and strength.</p> <p>Please see Manual on Corporate Governance, Section III in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf#page=5</p> <p>FEU efficiently adopted measures to address continuous business needs in the midst of the Covid-19 pandemic. In 2020, the Management postponed the annual strategic planning regularly attended by the Top Management of the holding company and its subsidiaries. In lieu, focused and highly targeted sessions with key management officials were conducted virtually.</p> <p>The Chairman of the Board presided all the virtual meetings. Similar to the physical meetings, the Management and the Board exchange views, comments and recommendations that aim to refine the short-term and long-term strategy of the company.</p>	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant	<p>The Board oversees the development of and approve the company's business objectives and strategy, and monitor their implementation, in order to sustain the company's long-term viability and strength.</p> <p>Please see Manual on Corporate Governance, Section III in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf#page=5</p>	

		The status of programs and strategies identified during the key virtual meetings are by standard presented and discussed during the regular Board meetings.	
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	<p>FEU has defined a Vision and Mission Statements that serve as guide for all its programs and strategy.</p> <p>FEU: Vision, Mission Statement</p> <p>https://investors.feu.edu.ph/</p> <p>FEU: Core Values</p> <p>https://investors.feu.edu.ph/</p> <p>The successful achievement of Aspiration 2020, or the 5-year strategic plan created in 2014, was reported to the shareholders during the FEU Annual Stockholder's Meeting held last 17 October 2020.</p> <p>The full report is also posted on the Investor Relations webpage. Please see the Chairman's full report on page 6, in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2021/01072021/ASM2020_FEU_Chairman's%20AnnualReport2020_Final_Updated(1)%20(1).pdf#page=6</p>	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compliant	<p>The Board continues to define the programs, output objectives, timetable and success indicators. Updates on the metrics are reported to the Board in some of their meetings,</p> <p>In 2020, the President presented the updates on metrics set in his report to the shareholders during the FEU Annual Stockholder's Meeting held last 17 October 2020.</p>	

		<p>Below is the link to documented “Presidents Report 2020”, as posted on the website:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2021/01142021/FEUAnnualReport2020_MMAMessage_repaginate.pdf</p> <p>The Executive Committee, as created by the Board, provides management guidance in the formulation of policies, strategies, and related initiatives that are consistent with Board strategic direction.</p> <p>Please see the FEU Executive Committee Charter, in the link below:</p> <p>https://investors.feu.edu.ph/documents/charters/FEU%20Charter%20-%20Executive%20Committee.pdf</p>	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	<p>Please see profile of Board Chairman Aurelio R. Montinola III in the 2020 Definitive Information Statement (SEC Form 20 IS), page 5 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#=11</p>	
Recommendation 2.4			

1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	<p>The Board is responsible for ensuring and adopting an effective succession planning program (including retirement age) for trustees, key officers and management. This is provided for in the FEU Manual on Corporate Governance.</p> <p>Please see Manual on Corporate Governance, Section III – Item B no. 4, page 2 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf#page=6</p> <p>No internal policy on the retirement of Trustees.</p> <p>Per FEU’s Health Welfare and Retirement Fund Plan, the compulsory retirement age of Key Officers, including members of the faculty, is 65 years old. Optional retirement is at least 10 years in service.</p>	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant		
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	<p>The Board aligns the remuneration of Key Officers and Board members with the long-term interests of FEU.</p> <p>Please see Manual on Corporate Governance, Section III – Item B no. 5, page 2 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf#page=6</p>	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant	<p>Salary increases of Officers are based on merit.</p> <p>A Performance Management System (PMS) is in place and actively implemented. The result is an important factor in the granting of annual merit increase.</p>	

		PMS greatly supports both management and employees in the documentation of performance targets and achievements for Fiscal Year 2020-2021.	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	The Manual on Corporate Governance provides that “Xxx, no trustee shall participate in discussions or deliberations involving his own remuneration.”	
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	Compliant	The Talent Management Committee held a meeting on 15 September 2020 where the committee reviewed results of the Performance Management Report for FEU senior executives. This annual discussion is linked to the implementation of what is stated in the policy on remuneration and compensation. The Board ratified the minutes on 20 October 2020.	
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.	Compliant	A Performance Management System is in place and has been implemented for all management positions. The results of which are important basis for the granting of annual merit increases.	
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	Please see Manual on Corporate Governance, Section III – Item B no. 6, page 2 in the link below: https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf#page=6 Please see Amended By-Laws, Section XXIX - Nomination Committee, page 7 in the link below. https://investors.feu.edu.ph/documents/index/feu_bylaws.pdf#page=9	
2. Board nomination and election policy is disclosed in the company’s Manual on Corporate Governance.	Compliant		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant		
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant		

5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant	<p>For the year 2020, all of the nine (9) Trustees were re-elected Trustees, and no one was replaced during said period.</p> <p>Nothing was observed nor experienced showing ineffectiveness of said Board processes in the nomination, election/re-election of the Trustees.</p>	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant	<p>Candidates for nomination to the Board are initially interviewed by the senior members of the Board, then they are vetted by the Nomination Committee before they are elected by the Board (if still constituting a quorum) and/or Stockholders.</p> <p>Please see Manual on Corporate Governance, Section III – Item B no. 6, page 2 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf#page=6</p> <p>and, Amended By-Laws, Section XXIX, page 9 in the link below:</p> <p>https://investors.feu.edu.ph/documents/index/feu_bylaws.pdf#page=9</p>	
Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.	Compliant	<p>Professional search firms or headhunters' services are engaged in case of difficulty to find candidates.</p> <p>As there was no vacancy in the Board in 2020, the University did not utilize the services of a professional search firm.</p> <p>FEU also uses referrals from its Trustees and Senior Officers for potential candidates.</p>	
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related	Compliant	FEU adopts a Related Party Transactions Policy which provides guidelines on what constitutes a related party transaction (RPT),	

party transactions (RPTs) and other unusual or infrequently occurring transactions.		and sets forth the requirements for the review, approval and disclosure of RPTs.	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	The RPTs that were approved in 2019 pursuant to the policy are disclosed in the Audited Financial Statements for the fiscal year ended 31 May 2020. Please see Item 12 – Certain Relationship and Related Transactions, page 64 in the link below:	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant	<p>https://investors.feu.edu.ph/reports%20new%20format/2020/09142020/13Sept2020_PSE%20Form%2017-A_FEU%20Annual%20Report%20FY2019-2020-merged.pdf#page=71</p> <p>Effective 10 September 2019 (and reviewed in August 2020), FEU released its updated its RPT Policy, in compliance with SEC Memorandum Circular No. 10, Series of 2019, on the Rules on Material Related Party Transactions for Publicly-Listed Companies.</p> <p>Please see the following links to FEU website that support this principle:</p> <p>1. Related Party Transactions Policy: https://investors.feu.edu.ph/documents/corpgovernance/feu_policy4.pdf</p> <p>2. Policy on Intercompany Loans and Advances https://investors.feu.edu.ph/reports%20new%20format/2019/01172019/FEU%20Interco%20Loans%20Policy_final.pdf</p> <p>3. The Board Governance Responsibilities, as part of the Manual on Corporate Governance, Section III, page 2 in the link below: https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf#page=5</p>	

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	<p>The updated FEU RPT policy was framed based on the requirements of the SEC MC No. 10 Series of 2019.</p> <p>Materiality threshold were defined for:</p> <ul style="list-style-type: none"> a. Internal review of Audit Committee and approval by Board of Trustees; b. Disclosure and Reporting to the SEC <p>Please see “Materiality Threshold” in the Related Party Transaction Policy, page 3 in the link below:</p> <p>https://investors.feu.edu.ph/documents/corpgovernance/feu_policy4.pdf#page=3</p>	

<p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders’ meetings.</p>	<p>Compliant</p>	<p>FEU has no formal voting system allowing non-related party shareholders to approve specific types of RPTs. However, material RPTs are presented as part of the audited consolidated financial statements and ratified by all stockholders present during Annual Stockholders’ Meeting. This process can be considered similar to the recommendation, since both related and non-related shareholders are present during the meeting.</p> <p>Please see the following links below:</p> <p>-2020 Definitive Information Statement</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf</p> <p>-Minutes of 2020 Annual Meeting of Stockholders</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/10212020/2020%20Minutes%20of%20ASM.pdf</p>	
<p>Recommendation 2.8</p>			
<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>Please see Manual on Corporate Governance, Section III – Item B no. 8, page 2 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf#page=6</p> <p>The minutes of the Organizational Meeting of the Board (immediately after the 17 October 2020 Annual Stockholders’ Meeting where the members of the Board are elected or reelected) last 17 October 2020 show that the Board approved the selection of Management led by the CEO and the heads of the other control functions, i.e., Chief Risk Officer, Compliance Officer, and Chief Audit Executive.</p> <p>The Management Team or principal officers elected or appointed during the Organizational Meeting of the Board held on 17 October 2020 are:</p>	

		<ul style="list-style-type: none"> • Mr. Aurelio R. Montinola III, Chairman of the Board of Trustees • Dr. Michael M. Alba, President • Mr. Juan Miguel R. Montinola, Chief Finance Officer & Chief Risk Officer • Ms. Rosanna E. Salcedo, Treasurer • Atty. Anthony Raymond A. Goquingco, Corporate Secretary • Atty. Gianna R. Montinola, SVP for Corporate Affairs • Dr. Maria Teresa Trinidad P. Tinio, SVP for Academic Affairs • Mr. Glenn Z. Nagal, Comptroller (<i>concurrent Compliance Officer as per appointment effective 21 April 2021</i>) • Engr. Edward R. Kilakiga, VP for Facilities & Technical Services • Dr. Myrna P. Quinto, VP for Academic Development • Mr. Jefferson Aquino, AVP for Human Resource Division • Atty. Enrico G. Gilera, Chief Legal Counsel • Pamela M. Hernandez, Chief Accountant and Budget Director • Mr. Michael Q. Liggayu, Quality Management Representative & Data Protection Officer • *Mr. Rogelio C. Ormilon, Jr., Chief Audit Executive (<i>resigned effective 16 November 2020</i>) • Ms. Mirajoy Tresmonte, Deputy Chief Audit Executive, Officer in Charge (<i>effective 04 December 2020</i>) • Victorino T. Tolosa II, Chief Information Officer • Dr. Gerald L. Villar, University Registrar • Dr. Michelle S. Acomular, Senior Director for Admissions and Financial Aid <p>The Deans of the various Institutes are appointed by the Executive Committee, and their appointments are subject to ratification by the Board of Trustees.</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	Compliant	The Board is ultimately the one responsible for assessing the performance of Management. Please see Manual on Corporate Governance, Section III – Item B no. 8, page 2 of the in the link below:	

control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).		https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf#page=6	
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	Compliant	The Board is responsible for establishing an effective performance management framework that will ensure that the Management, including the Chief Executive Officer, and personnel's performance is at par with the standards set by the Board and Senior Management.	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant	<p>Please see Manual on Corporate Governance, Section III – Item B no. 9, page 2 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf#page=6</p> <p>As discussed in the previous sections of this report, a Performance Management System (PMS) has been implemented for all employees and management positions. The results of which are the basis for the granting of merit increases and promotion. See discussion on Recommendation 2.5 of this report regarding PMS.</p>	
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Compliant	<p>The Board, through its Audit Committee (AuditCom), has overall oversight responsibility over systems and processes relative to internal controls, including financial reporting, operational, compliance and information technology controls. This is stated in the Audit Committee Charter.</p> <p>Please see the FEU Audit Committee Charter, in the link below:</p> <p>https://investors.feu.edu.ph/documents/charters/FEU%20Charter%20-%20Audit%20Committee.pdf</p> <p>Based on the results of the work performed by internal and external auditors, the Board - through its Audit Committee, is of the opinion</p>	

		that FEU's internal control system is adequate and operating effectively. This is noted in the Report of the Audit Committee to the Board of Trustees for the Fiscal Year Ended May 31, 2020.	
		Please see Annex F -Report of the Audit Committee to the Board of Trustees , from the 2020 Definitive Information Statement, page 55 in the link below:	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#page=55	
3. Board approves the Internal Audit Charter.	Compliant	Please see the FEU Internal Audit Charter , in the link below: https://investors.feu.edu.ph/documents/charters/FEU%20Internal%20Audit%20Charter.pdf	
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	The Board, through its Risk Management Committee (RMCom), has oversight responsibility over company-wide risk management policies and practices. This is stated in the RMCom Charter. Please see the FEU Risk Management Committee Charter , in the link below:	
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	https://investors.feu.edu.ph/documents/charters/FEU%20Charter%20-%20Risk%20Committee.pdf The Board approved RMCom's recommendation for FEU to adopt an enterprise-wide risk management (ERM) framework. Please see FEU Risk Management Policy in the link below https://investors.feu.edu.ph/documents/corpgovernance/feu_policy6.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	<p>The duty of care and loyalty are the two key elements of the fiduciary duty of the Board. The duty of care requires the members of the Board to act on a fully informed basis, in good faith, with due diligence and care while the duty of loyalty is where the board members should act in the best interest of FEU and all its stakeholder.</p> <p>The Board formalizes the documentation of its roles, responsibilities, and accountabilities in carrying out its fiduciary role through the creation of a Board Charter.</p> <p>The FEU Board Charter establishes the purpose, composition, authority, and responsibilities of the FEU Board of Trustees. It is incorporated within the provisions of its FEU By-Laws, FEU Manual on Corporate Governance, and the Code of Corporate Governance.</p> <p>Please see FEU Board Charter on the link below:</p> <p>https://investors.feu.edu.ph/documents/charters/FEU%20Charter%20-%20Board.pdf</p>	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant		
3. Board Charter is publicly available and posted on the company’s website.	Compliant		
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	Compliant	<p>Please see FEU’s Insider Trading Policy, in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/06292020/BOT%20Approved_FEU_Insider%20Trading%20Policy_v.June2020.pdf</p>	
Optional: Principle 2			

1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm’s length basis and at market rates.	Compliant	FEU does not grant loans or any special financial assistance to its Trustees (and also to its Key Management, except when allowed pursuant to an established company benefit or plan). Please see Related Party Transaction Policy , in the link below: https://investors.feu.edu.ph/documents/corpgovernance/feu_policy4.pdf	
2. Company discloses the types of decision requiring board of directors’ approval.	Compliant	FEU strictly follows the Disclosure Rules provided by law, rules and regulations. Please see link below: https://investors.feu.edu.ph/companydisclosures.asp	
Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board’s functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	FEU had established the following Board committees: 1) Executive Committee 2) Audit Committee 3) Corporate Governance Committee 4) Nomination Committee 5) Risk Management Committee 6) Talent Management Committee 7) Related Party Transaction Committee Please see information about the Board Committees and their respective Charter , in the link below: https://investors.feu.edu.ph/corporategovernance.asp	

Recommendation 3.2			
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.	Compliant	<p>Information regarding the Audit Committee (AuditCom) and its purpose, composition, meetings and authority and responsibilities are contained in the AuditCom Charter. The AuditCom's responsibility include recommending the appointment and removal of the company's external auditor. The AuditCom Charter can be found in the FEU website.</p> <p>Please see the Manual on Corporate Governance and Audit Committee Charter, in the links below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf</p> <p>https://investors.feu.edu.ph/documents/charters/FEU%20Charter%20-%20Audit%20Committee.pdf</p>	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	<p>The Audit Committee is composed of at least 3 appropriately qualified Non-Executive Trustees, the majority of whom, including the AuditCom Chairman, are Independent Trustees:</p> <ul style="list-style-type: none"> • Ms. Sherisa P. Nuesa, Committee Chairman (Independent Trustee) • Dr. Edilberto C. De Jesus, Member (Independent Trustee) • Mr. Jose T. Sio, Member (Independent Trustee) • *Ms. Angelina P. Jose, Alternate Member (passed away on 30 March 2021) <p>Please see the above composition of the Audit Committee in the FEU website, in link below:</p> <p>https://investors.feu.edu.ph/corporategovernance.asp</p> <p>Information regarding the members of the AuditCom can be found in Annex A of FEU's SEC Form 20-IS – Definitive Information Statement for 2020, pages 41 and 42 in the link below:</p>	

		https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#page=41	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	<p>The members of the Audit Committee collectively have relevant background, knowledge, skills and/or experience in the areas of accounting, auditing and finance.</p> <p>In particular, Sherisa P. Nuesa (Chair and Independent Trustee) and Jose T. Sio (Member) have previously held top management and executive positions in the field of accounting, finance, or auditing.</p> <p>Information regarding the members of the AuditCom can be found in Annex A of FEU's SEC Form 20-IS – Definitive Information Statement for 2020, pages 41 and 42 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#page=41</p>	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	<p>Audit Committee Chairman Sherisa P. Nuesa is not the Chairman of the Board of Trustees or of any other committee.</p> <p>Information regarding the AuditCom Chairman can be found in Annex A of FEU's SEC Form 20-IS – Definitive Information Statement for 2020, page 42 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#page=42</p>	
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	The Audit Committee Charter, which is available on the FEU website, includes review and approval of non-audit services.	

		<p>Please see FEU’s Audit Committee Charter in the link below:</p> <p>https://investors.feu.edu.ph/documents/charters/FEU%20Charter%20-%20Audit%20Committee.pdf</p> <p>The AuditCom reviewed and recommended for approval all audit and non-audit services provided by FEU’s external auditor. This is discussed in the Report of the AuditCom to the Board of Trustees for the Fiscal Year Ended May 31, 2020, which is included as Annex F to FEU’s 2020 SEC Form 20IS Definitive Information Statement.</p> <p>Further, as stated in Annex F Part 2 Item No. 3, of the - Information Required in Information Statement of FEU’s 2020 SEC Form 20IS, Definitive Information Statement, the external auditors did not render non-audit services in 2020.</p> <p>Please see the - Information Required in Information Statement of FEU’s 2020 SEC Form 20IS, Definitive Information Statement, Annex F Part 2 Item No. 3, page 55 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#page=55</p>	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	<p>The objective of a private session with the external auditor was achieved through the Chief Audit Executive, who, as part of his role, acted as a liaison between the FEU Audit Committee and the external auditor.</p> <p>During the year 2020, Mr. Rogelio C. Ormilon, Jr, then incumbent Chief Audit Executive, had regular communications with the AuditCom and external auditor, where the external auditor was given the opportunity to discuss all matters including confidential matters that needed to be brought to the attention of the AuditCom.</p> <p>Mr. Rogelio C. Ormilon Jr. resigned from FEU effective 16 November 2020.</p>	

		<p>On 04 December 2020, Ms. Mirajoy Tresmonte was appointed as Deputy Chief Audit Executive – Officer in Charge. Please see link below for the disclosure related to this appointment.</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/12032020/PSE%20Disclosure_Appointment%20of%20Mirajoy%20Tresmonte_03Dec2020-merged.pdf</p>	
Optional: Recommendation 3.2			
1. Audit Committee meets at least four times during the year.	Compliant	<p>The Audit Committee had the following meetings in 2020 which are all covered by minutes of meetings:</p> <p>Applicable for Fiscal Year 2019-2020:</p> <ul style="list-style-type: none">• January 13, 2020 (joint meeting with Risk Management Committee)• April 7, 2020 <p>The above meetings are covered in the Report of the AuditCom to the Board of Trustees for the Fiscal Year Ended May 31, 2020 which is included as Annex F to FEU’s 2020 SEC Form 20IS Definitive Information Statement.</p> <p>Please see the - Information Required in Information Statement of FEU’s 2020 SEC Form 20IS, Definitive Information Statement, Annex F, page 55 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#page=55</p> <p>Applicable for Fiscal Year 2020-2021:</p> <ul style="list-style-type: none">• August 14, 2020• October 13, 2020 (joint meeting with Risk Management Committee) <p>The above meetings will be covered in the Report of the AuditCom to the Board of Trustees for the Fiscal Year Ending May 31, 2021,</p>	

		to be submitted as part of FEU’s 2021 SEC Form 20-IS Definitive Information Statement.	
2. Audit Committee approves the appointment and removal of the internal auditor.	Compliant	<p>The Board of Trustees, upon the recommendation of the AuditCom, approved the appointment of the Chief Audit Executive.</p> <p>Mr. Rogelio C. Ormilon Jr. the incumbent since 15 September 2015, resigned from FEU effective 16 November 2020.</p> <p>The transition plan resulting from Mr. Ormilon’s resignation was discussed during the Joint Audit Committee and Risk Management Committee Meeting held on 13 October 2020.</p> <p>On 04 December 2020, Ms. Mirajoy Tresmonte was appointed as Deputy Chief Audit Executive – Officer in Charge. Please see link below for the disclosure related to this appointment.</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/12032020/PSE%20Disclosure_Appointment%20of%20Mirajoy%20Tresmonte_03Dec2020-merged.pdf</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.	Compliant	<p>The Board had established a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities.</p> <p>The functions of the Nomination Committee and the Talent Management Committee (formerly called Remuneration Committee) are still performed by these committees, which are also Board Committees. Hence, it was the Nomination Committee which undertook the process of identifying the quality of Trustees who are aligned with FEU’s strategic direction.</p> <p>Please see the Corporate Governance Committee Charter in link below:</p> <p>https://investors.feu.edu.ph/documents/charters/FEU%20Charter%20-%20Corporate%20Governance%20Committee.pdf</p>	

<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	<p>Compliant</p>	<p>The members of the Corporate Governance Committee are:</p> <ul style="list-style-type: none"> • Dr. Edilberto C. De Jesus, Committee Chairman (Independent Trustee) • Atty. Gianna R. Montinola, Member • Ms. Angelina P. Jose, Member (<i>passed away on 30 March 2021</i>) • Ms. Sherisa P. Nuesa, Member (Independent Trustee) <p>Please see the 2020 Organizational Meeting, page 3 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/10192020/17October2020_PSE%20Form%204-24%20Results%20of%20Org%20Meeting%202020-merged.pdf#page=8</p> <p>Please see profile of the Members of the Corporate Governance Committee in the 2020 Definitive Information Statement (SEC Form 20 IS), pages 6-8 in the link below.</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#page=12</p>	
<p>3. Chairman of the Corporate Governance Committee is an independent director.</p>	<p>Compliant</p>	<p>The Chairman of the Corporate Governance Committee is Dr. Edilberto C. De Jesus, an Independent Trustee.</p> <p>Please see profile of Dr. E C. De Jesus in the 2020 Definitive Information Statement (SEC Form 20 IS), page 7 in the link below.</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#page=13</p>	

Optional: Recommendation 3.3			
1. Corporate Governance Committee meets at least twice during the year.	Compliant	<p>The Corporate Governance Committee (CGCom) held meetings on the following dates in 2020:</p> <p>31 March 2020 – The minutes of the said CGCom meeting were discussed by the Board of Trustees on 21 April 2020. The Board, however, deferred on its ratification and recommended to wait for the necessary review of the newly appointed Acting Corporate Secretary over the item presented.</p> <p>15 May 2020 - The minutes of the said CGCom meeting were ratified by the Board of Trustees on 19 May 2020.</p> <p>04 December 2020 - The minutes of the said CGCom meeting were ratified by the Board of Trustees on 12 December 2020.</p>	
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company’s Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	<p>The 2016 SEC Code of Corporate Governance stated that a Board Risk Oversight Committee is generally for companies with a high-risk profile. While FEU does not have a high-risk profile, the Board had established a Risk Management Committee.</p> <p>The Board, through its BROC or Risk Management Committee (RMCom), has oversight responsibility over company-wide risk management policies and practices. This is stated in the RMCom Charter.</p> <p>Please see Risk Management Committee Charter, in the link below:</p> <p>https://investors.feu.edu.ph/documents/charters/FEU%20Charter%20-%20Risk%20Committee.pdf</p>	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	<p>The RMCom is composed of the following:</p> <ul style="list-style-type: none"> • Dr. Edilberto C. De Jesus, Committee Chairman (Independent Trustee) • Mr. Sherisa P. Nuesa, Member (Independent Trustee) 	

		<ul style="list-style-type: none"> • Dr. Michael M. Alba, Member <p>Please see the above composition of the Risk Management Committee, in the link below:</p> <p>https://investors.feu.edu.ph/corporategovernance.asp</p> <p>Information regarding the members of the Risk Management Committee can be found in Annex A of FEU’s SEC Form 20-IS - Definitive Information Statement for 2020, pages 40-42 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#page=40</p>	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Non-Compliant		<p>Dr. Edilberto C. De Jesus is the Chairman of the Risk Management Committee (RMC). He concurrently Chairs the Corporate Governance Committee (CGC). The Board does not consider this set-up as disadvantageous to FEU. The objectives of RMC and CGC are related to each other. Considering the size and level of complexity of FEU’s operations, having one person, who has the appropriate set of skills and experience, to chair both Committees facilitates the coordination and synchronization of their inter-related efforts towards achieving goals/objectives. and managing risks associated to the goals/objectives. The Chair of RMC and CGC is supported at the management level by the Chief Risk Officer, the Compliance Officer, the Chief Legal Counsel, the Chief Audit Executive, and other Officers.</p> <p>Information regarding the Chairman of RMCom can be found in Annex A of FEU’s SEC Form 20-IS - Definitive Information Statement for 2020.</p>

			<p>Please see page 42 of the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#page=42</p>
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant	<p>At least two members of the Risk Management Committee, i.e., the 2 Independent Trustees, Dr. Edilberto C. De Jesus, and Ms. Sherisa P. Nuesa, have relevant and thorough background, knowledge and experience on risk and risk management. Further, Ms. Nuesa sits in either the Audit Committee or Risk Management Committee of other companies and is regularly invited as resource speaker for risk management forum.</p> <p>Information regarding the members of the Risk Management Committee can be found in Annex A of FEU's SEC Form 20-IS - Definitive Information Statement for 2020 pages 40-42 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#page=42</p>	
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	<p>The functions of the Audit Committee (AuditCom) include the review of all material RPTs of FEU. This is stated in the AuditCom Charter, FEU Manual on Corporate Governance and FEU Policy on RPTs.</p> <p>Please see the following links available on the FEU website:</p> <ul style="list-style-type: none"> • Audit Committee Charter: https://investors.feu.edu.ph/documents/charters/FEU%20Charter%20-%20Audit%20Committee.pdf • Manual on Corporate Governance: 	

		https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf • Related Party Transaction (RPT) Policy: https://investors.feu.edu.ph/documents/corpgovernance/feu_policy4.pdf In the second half of 2020, the Board decided to create a separate Related Party Transactions (RPT) committee to strengthen its oversight over such matters. The RPT Committee Charter can be found here: https://investors.feu.edu.ph/documents/charters/FEU%20Charter%20-%20Related%20Party%20Committee%20Charter.pdf	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant	The Related Party Transaction Committee was formed in August 2020, and composed of the following members of the Board of Trustees: <ul style="list-style-type: none"> • Mr. Jose T. Sio, Committee Chairman (Independent Trustee) • Ms. Sherisa P. Nuesa, Member (Independent Trustee) • Dr. Edilberto C. De Jesus, Member (Independent Trustee) 	
Recommendation 3.6			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	The Board Committee Charters are available on the FEU website, as per the links below: • Executive Committee Charter: https://investors.feu.edu.ph/documents/charters/FEU%20Charter%20-%20Executive%20Committee.pdf	

		<ul style="list-style-type: none">• Audit Committee Charter: https://investors.feu.edu.ph/documents/charters/FEU%20Charter%20-%20Audit%20Commitee.pdf• Corporate Governance Committee Charter: https://investors.feu.edu.ph/documents/charters/FEU%20Charter%20-%20Corporate%20Governance%20Committee.pdf• Nomination Committee Charter: https://investors.feu.edu.ph/documents/charters/FEU%20Charter%20-%20Nomination%20Committee.pdf• Risk Management Committee Charter: https://investors.feu.edu.ph/documents/charters/FEU%20Charter%20-%20Risk%20Commitee.pdf• Talent Management (formerly as Remuneration) Committee Charter: https://investors.feu.edu.ph/documents/charters/FEU%20Charter%20-%20TalMan%20Committee.pdf	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant	<ul style="list-style-type: none">• Related Party Transaction Committee Charter: https://investors.feu.edu.ph/documents/charters/FEU%20Charter%20-%20Related%20Party%20Committee%20Charter.pdf	
3. Committee Charters were fully disclosed on the company’s website.	Compliant	Please see Board Committee Charters in the link below: https://investors.feu.edu.ph/corporategovernance.asp	

Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation’s business.			
Recommendation 4.1			
1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	<p>Majority of the Board and Committee meetings held in 2020 (March – December) were conducted virtually, using Office 365 Teams Videoconferencing application.</p> <p>This is in response to government mandated health protocols in the midst of the Covid-19 pandemic.</p> <p>All of these virtual meetings were recorded and noted in the respective Minutes of the Meeting prepared.</p> <p>Please see Section III - Item D (Fostering Commitment) in the FEU Manual on Corporate Governance, pages 3 – 4 in the link below :</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf#page=7</p>	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	<p>The materials for Board meetings are distributed before the scheduled meeting. The minutes of previous Board meetings and Board Committee meetings for approval and ratification are distributed via email for comments and pre-clearance to all the Board and Board Committee members at least a week before the meeting. The Agenda is released at least 2 days before the meeting date.</p>	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	<p>All items in the agenda of the Board and Committee meetings are discussed and deliberated upon thoroughly during the Board and Committee meetings, before a Board or Committee action (like approved or disapproved, noted, deferred for further deliberation or study) is made.</p> <p>Even before the actual meeting, sometimes the Board Trustees and Committee Members would already ask for additional information,</p>	

		supporting documents, and justifications for an item or items in the agenda.	
Recommendation 4.2			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management’s proposals/views, and oversee the long-term strategy of the company.	Compliant	<p>No Executive Trustee concurrently serve in more than three (3) publicly listed companies.</p> <p>The following are the Non-Executive Trustees with their respective publicly-listed companies:</p> <ul style="list-style-type: none"> • Dr. Lourdes R. Montinola, Chair Emeritus - FEU only • Dr. Paulino Y. Tan - FEU only • <i>*Ms. Angelina P. Jose, Trustee - FEU only (passed away on 30 March 2021)</i> • Dr. Edilberto C. De Jesus, Lead Independent Trustee – FEU only. • Ms. Sherisa P. Nuesa, Independent Trustee - FEU, AC Energy, Inc., Ayala Land, Inc., Integrated Micro-electronics, Inc., and Manila Water Co. Ms. Nuesa also serves as Senior Board Adviser (non-Director position) of Metro Retail Stores Group, Inc., - a publicly listed company. • Mr. Jose T. Sio, Independent Trustee – FEU, SM Investments Corp., Atlas Consolidated Mining and Development Corp., Belle Corporation, China Banking Corp. Dr. Sio’s non-Director positions in other publicly listed companies include: Advisor to the Board of BDO Unibank, Inc., and Premium Leisure Corporation. <p>Please see the Directorships and/or Trusteeships of the FEU Trustees in both listed and non-listed companies in the 2020 Definitive Information Statement (SEC Form 20 IS), pages 5-8 in the link below.</p>	

		https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#page=11	
Recommendation 4.3			
1. The directors notify the company’s board before accepting a directorship in another company.	Compliant	<p>Every member of the FEU Board of Trustee is required to notify the Chairman of the Board when he/she is invited to join the board of another company. Before accepting the invitation, the FEU Trustee shall review with the Corporate Governance Committee any potential conflict of interest issues that may need to be brought before the Board.</p> <p>Please see FEU Manual on Corporate Governance, Section III – Item D Fostering Commitment, pages 5 – 8 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf#page=7</p> <p>Please also see FEU’s Annual Report pursuant to Section 17 of the Securities Regulation Code and Section 141 of the Corporation Code (SEC Form 17-A, as amended) showing, among others, the listing of the Trustees’ directorships and trusteeships outside of FEU, pages 47-50 in the link below.</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09142020/13Sept2020_PSE%20Form%2017-A_FEU%20Annual%20Report%20FY2019-2020-merged.pdf#page=54</p>	
Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	Compliant	<p>FEU does not have any Executive Trustee who serve in more than two boards of listed companies outside of the FEU Group.</p> <p>The following are the Executive Trustees of FEU:</p> <ul style="list-style-type: none"> • Mr. Aurelio R. Montinola III 	

		<ul style="list-style-type: none"> • Dr. Michael M. Alba <p>Board Chairman Aurelio R. Montinola III serves as a Director of the following listed companies: (i) Bank of the Philippine Islands, and (ii) as an Independent Director of Roxas & Co., Inc.</p> <p>The Executive Trustee, Dr. Michael M. Alba, do not serve in any board of a listed company outside of FEU.</p>	
2. Company schedules board of directors' meetings before the start of the financial year.	Compliant	<p>The regular meeting of the Board of Trustees is held every third (3rd) Tuesday of every month. Per Amended By-Laws - "Section XXII - Board Meeting. The Board of Trustees shall hold one regular meeting every month. Xxx."</p> <p>Please see Amended By-Laws, Section XXII - Board Meeting, page 5 in the link below:</p> <p>https://investors.feu.edu.ph/documents/index/feu_bylaws.pdf#page=7</p>	
3. Board of directors meet at least six times during the year.	Compliant	<p>The Board of Trustees held twelve (12) Board meetings during the year 2020, all of which were regular board meetings.</p> <p>Please see Attendance in the Board Meetings for the fiscal year 2020-2021 in the link below.</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2021/05242021/24May2021_PSE%20Form%2017-18%20Board%20Attendance_amended%20-%20merged.pdf</p>	
4. Company requires as minimum quorum of at least 2/3 for board decisions.	Compliant	<p>The Amended By-Laws in Section XXI that, "A majority of Trustees shall be necessary at all meetings to constitute a quorum for the transaction of any business." However, the attendance in Board meetings shows that 2/3 of the directors were present for all the Board meetings.</p>	

		<p>Please see Attendance in the Board Meetings for the fiscal year 2020-2021 in the link below.</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2021/05242021/24May2021_PSE%20Form%2017-18%20Board%20Attendance_amended%20-%20merged.pdf</p>	
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.	Compliant	<p>FEU has three (3) Independent Trustees or 1/3 of the nine (9) total number of Trustees, namely:</p> <ul style="list-style-type: none"> • Dr. Edilberto C. De Jesus • Ms. Sherisa P. Nuesa • Mr. Jose T. Sio <p>Please see the 2020 Definitive Information Statement (SEC Form 20 IS), Annex A - No. 7, page 37 of the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#page=37</p>	
Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	<p>The Board Nomination Committee ensures that elected members of the Board of Trustees, including Independent Trustees, are qualified to serve as member of the Board.</p> <p>Please see the profile of the Board of Trustees in the 2020 Definitive Information Statement (SEC Form 20 IS), pages 40-42 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#page=40</p>	

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	<p>FEU has no shareholder agreement, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.</p> <p>Section VI (Meetings and Voting) of the Amended By-Laws provides that "Voting upon all questions at all meetings of the stockholders shall be made by shares of stock and not per capita or otherwise, each share of stock being counted as one vote."</p> <p>Section IX (on Elections) of the Amended By-Laws also provides that "All election of Trustees shall be conducted in the manner provided by the corporation (law) code of the Philippines under its general provisions xxx."</p> <p>Please see Amended By-Laws, pages 1 and 2 in the link below: https://investors.feu.edu.ph/documents/index/feu_bylaws.pdf#page=3</p>	
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	<p>Independent Trustees of FEU are perpetually barred from reelection as such after serving FEU for a maximum cumulative term of nine years (reckoned from 2012), per SEC Memorandum Circular No. 9, Series of 2011:</p> <ul style="list-style-type: none"> • Dr. Edilberto C. De Jesus, <i>Aug 2012 to present</i> • Ms. Sherisa P. Nuesa <i>Aug 2010 to present</i> • Mr. Jose T. Sio <i>Apr 2019 to present</i> <p>Please see individual profile of the above Independent Trustees in the 2020 Definitive Information Statement (SEC Form 20 IS), pages 7-8 in the link below:</p>	

		https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#page=13	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	<p>Please see Manual on Corporate Governance, Section III - Item E no. 2, page 4 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf#page=8</p>	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Compliant	<p>As of 2020, No Independent Trustee has reached nine (9) years yet, reckoned from 2012 per SEC Memorandum Circular No. 9, Series of 2011.</p> <p>FEU has no plan of retaining an Independent Trustee in the same capacity after nine (9) years. But should the time come when FEU does said retention, the Board shall provide meritorious justification and seek shareholders' approval.</p>	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Non-Compliant	<p>Mr. Aurelio R. Montinola III is the Chairman of the Board of Trustees and the Chief Executive Officer (CEO) of FEU.</p> <p>Section XIII of the Amended By-Laws of FEU specifically state the Chairman of the Board of Trustees shall be the Chief Executive Officer</p>	<p>A Lead Independent Director has been appointed by the FEU Board.</p> <p>Furthermore, other checks and balances laid down to ensure that the Board gets the benefit of independent views are:</p> <ol style="list-style-type: none"> 1. The President, who also serves as the Chief Operating Officer (COO), is tasked by the Amended By-Laws to direct and administer the academic affairs of the University. 2. Only two (2) of the nine (9) Trustees are Executive Trustees. 3. Three (3) of the nine (9) Trustees are Independent Trustees.
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Non-Compliant		

			<p>Also, there are Board Committees [Executive, Audit, Corporate Governance, Nomination, Risk Management and Talent Management (formerly known as Remuneration)] assisting the Board of Trustees in the performance of its duties and responsibilities. Except for the Executive Committee (or the small Board) and the Talent Management Committee, all Board Committees are chaired by Independent Trustees.</p> <p>The positions of Chairman of the Board and the Chief Executive Officer (CEO) are held by the same person. This is cited in Section XIII - Chairman of the Board, of the Amended By-Laws.</p> <p>Further, the Amended By-Laws names the President as the Chief Operating Officer (COO).</p> <p>The positions of Chairman of the Board & CEO on the one hand, and the President & COO on the other hand, are not one and the same person, and they have clearly defined responsibilities as provided for by the Amended By-Laws of FEU.</p> <p>Please refer to pages 2 (Section XIII) and 4 (Section XVII) of the Amended By-Laws, thru the link below.</p> <p>https://investors.feu.edu.ph/documents/index/feu-bylaws.pdf#page=4</p>
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Compliant	<p>The Chairman of the Board is not an Independent Trustee.</p> <p>However, on 17 October 2020, the Board, during the Organizational Board Meeting, appointed Dr. Edilberto C. De Jesus as Lead Independent Trustee to chair the meetings of the Non- Executive Trustees (NETs) and, where appropriate, the separate periodic meetings of the NETs with the External Auditor</p>	

		<p>and Heads of Internal Audit, Compliance and Risk functions, without any Executive Trustee present.</p> <p>Please see Results of the Organizational Board Meeting on 17 October 2020 of the PSE Disclosure, page 4 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/10192020/17October2020_PSE%20Form%204-24%20Results%20of%20Org%20Meeting%202020-merged.pdf#page=4</p>	
Recommendation 5.6			
<p>1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.</p>	<p>Compliant</p>	<p>A Trustee with material interest in a transaction affecting FEU would abstain from the deliberation and voting on the said transaction.</p> <p>Please see Manual on Corporate Governance, Section III – Item E no. 5, page 4 in the link below.</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf#page=8</p> <p>Section 52 of the Revised Corporation Code mandates that “A director or trustee who has a potential interest in any related party transaction must recuse from voting on the approval of the related party transaction xxx.”.</p> <p>Also, the Related Party Transactions Policy of FEU provides the following:</p> <p>“Trustees xxx with personal interest in the transaction shall fully and timely disclose any and all material facts, including their respective interests in the material RPT, and abstain from the discussion xxx”</p>	

		<p>Please see Disclosure of material RPTs and conflict of interest of the Board of Trustees, Item 3 no. 3, page 2 of the link below:</p> <p>https://investors.feu.edu.ph/documents/corpgovernance/feu_policy4.pdf#page=2</p>	
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	Compliant	<p>All of FEU’s independent non-executive directors including its Chair are members of the Audit Committee. The Chief Audit Executive had open communications with the Audit Committee in 2020.</p> <p>The objective of a private session with the external auditor and risk function was achieved through the Chief Audit Executive, who, as part of his role, acted as a liaison between the FEU Audit Committee and the (a) external auditor and (b) Chief Risk Officer (CRO)/Audit and Risk Working Group.</p> <p>During the year 2020, the Chief Audit Executive (CAE) had regular communications with the AuditCom and external auditor, where the external auditor was given the opportunity to discuss all matters including confidential matters that needed to be brought to the attention of the AuditCom.</p> <p>Further, the CAE was invited to and has attended all the meetings of the Audit & Risk Working Group led by the CRO and represented the concerns of the Independent Non-Executive Trustees members of the Audit Committee.</p>	
2. The meetings are chaired by the lead independent director.	Compliant		
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.	Compliant	None of the Trustees is a former CEO of FEU in the past two (2) years. Mr. Aurelio R. Montinola III is the CEO of FEU since 27 August 2013 up to the present.	

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	Each Board Member accomplished and submitted self-assessment of his/her performance in 2020 Results of the assessment are attested by the Corporate Governance Committee.	
2. The Chairman conducts a self-assessment of his performance.	Compliant	The Chairman also conducted a self-assessment of his performance for the term during the period.	
3. The individual members conduct a self-assessment of their performance.	Compliant	The individual members of the Board conducted a self-assessment of their performance during the period.	
4. Each committee conducts a self-assessment of its performance.	Compliant	Each of the Board Committees conducted a self-assessment of its performance.	
5. Every three years, the assessments are supported by an external facilitator.	Compliant	Due to the Covid-19 pandemic and attributing priorities attended by the board in 2020, the plan to engage external facilitator for the 2020 board assessment is postponed. Board assessment, covering the Board Performance as a whole, Self-Performance, and Committee Performance was conducted in-house. Results were consolidated and attested by the Corporate Governance Committee.	

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	Laws, rules and regulations, the Amended By-Laws, Charters and policies provide, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees. Please see the Amended By-Laws, pages 5-11 in link below:	
2. The system allows for a feedback mechanism from the shareholders.	Compliant	https://investors.feu.edu.ph/documents/index/feu_bylaws.pdf#page=7 Please see Charters of Board Committees , in the link below: https://investors.feu.edu.ph/corporategovernance.asp	

		<p>Please see Manual on Corporate Governance:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf</p> <p>Shareholders can contact FEU anytime via the Investor Relations contact details published on its website. Please see link below:</p> <p>https://investors.feu.edu.ph/investorr.asp</p>	
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	<p>FEU strongly believes in instilling a professional and ethical culture in the University. The Board of Trustees legally performs functions on the school's behalf, and without exemption, every Trustee is expected to adhere to the Code of Business Conduct and Ethics.</p> <p>Please see university's Code of Business Conduct and Ethics, in the link below:</p> <p>https://investors.feu.edu.ph/documents/corpgovernance/feu_code_ethics.pdf</p>	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	<p>FEU's Code of Business Conduct and Ethics is made available, at any time, to all Trustees, the Senior Management faculty and employees through the University's website.</p> <p>Please see university's Code of Business Conduct and Ethics, in the link below:</p> <p>https://investors.feu.edu.ph/documents/corpgovernance/feu_code_ethics.pdf</p>	
3. The Code is disclosed and made available to the public through the company website.	Compliant	<p>Please see university's Code of Business Conduct and Ethics, in the link below:</p>	

		https://investors.feu.edu.ph/documents/corpgovernance/feu_code_ethics.pdf	
Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Compliant	<p>The Code of Business Conduct and Ethics includes the directive that prohibits the giving and receiving of advantage in business transactions.</p> <p>Please see Code of Business Conduct and Ethics, Item 7 – Treatment of Business Partners and Third Parties, pages 9-10 in the link below:</p> <p>https://investors.feu.edu.ph/documents/corpgovernance/feu_code_ethics.pdf#page=10</p>	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	<p>Upon implementation of the Code of Business Conduct and Ethics, employees and faculty have been oriented on the details of the policy and the responsibility of each employee and faculty. To further ensure compliance, FEU has also implemented policies on Whistle Blowing and Conflict of Interest. Internal Audit Department also conducts regular audit activities to ensure that policies are adhered to by all.</p> <p>1. Whistle Blowing Policy</p> <p>https://investors.feu.edu.ph/documents/corpgovernance/feu_policy1.pdf</p> <p>2. Conflict of Interest Policy</p> <p>https://investors.feu.edu.ph/documents/corpgovernance/feu_policy2.pdf</p> <p>FEU’s Code of Business Conduct and Ethics provides that the Code “applies to all Far Eastern University trustees, officers, and employees”.</p>	

		<p>This highlighted on Item 1 (Scope), page 5 in the link below:</p> <p>https://investors.feu.edu.ph/documents/corpgovernance/feu_code_ethics.pdf#page=6</p> <p>A re-orientation on the Code of Business Conduct and Ethics and related policies were conducted, and all employees and faculty were required to sign their commitment to adhere to the code and all policies.</p>	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant		
Disclosure and Transparency			
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company’s financial condition, results and business operations.	Compliant	<p>The University, through the Board and management commits, at all times, to fully disclose all material information about the school for the benefit of stockholders and other stakeholders.</p> <p>Please see Manual on Corporate Governance, Section IV (Disclosure and Transparency) – Item A, page 5 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf#page=9</p> <p>The reports distributed/made available to shareholders and other stakeholders include the following:</p> <ul style="list-style-type: none"> • SEC Form 17-C https://investors.feu.edu.ph/disc_17c.asp • SEC Form 17-A (Annual Report) 	

		https://investors.feu.edu.ph/disc_17a.asp <ul style="list-style-type: none"> • SEC Form 17-Q (Quarterly Report) https://investors.feu.edu.ph/disc_17q.asp • SEC Form 20-IS (Information Statement) https://investors.feu.edu.ph/disc_20is.asp 	
Supplement to Recommendation 8.1			
1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.	Compliant	<p>The 2020 Annual Report (SEC Form 17-A) was submitted to the Securities and Exchange Commission and Philippine Stock Exchange on 13 September 2020, which is within 105 days after end of fiscal year.</p> <p>The Quarterly Reports were submitted/published within 45 days from end of reporting period, as follows:</p> <ul style="list-style-type: none"> • Quarterly Report as of 29 February 2020 was filed on 09 April 2020. • Quarterly Report as of 31 August 2020 was filed on 14 October 2020. • Quarterly Report as of 30 November 2020 was filed on 14 January 2021. <p>Please see these links to FEU website for SEC Form 17-A (Annual Report),</p> <p>https://investors.feu.edu.ph/disc_17a.asp</p> <p>and SEC Form 17-Q (Quarterly Report)</p> <p>https://investors.feu.edu.ph/disc_17c.asp</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	Compliant	Please see, FEU's Top 20 Stockholders (controlling shareholders) in SEC Form 17-A, page 27 in the link below:	

<p>concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p>		<p>https://investors.feu.edu.ph/reports%20new%20format/2020/09142020/13Sept2020_PSE%20Form%2017-A_FEU%20Annual%20Report%20FY2019-2020-merged.pdf#page=34</p> <p>Holdings among company affiliates, if any, is shown in the FEU Group's Conglomerate Map:</p> <p>https://investors.feu.edu.ph/documents/index/feu_conglo_03182020.jpg</p> <p>The Top 20 Stockholders own around 81.50% (19,603,804) of the 24,055,763 outstanding shares as of 31 December 2020:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2021/01142021/PSE%20Disclosure_PSE%20Form%2017-12_List%20of%20Top%20100%20Stockholders_31Dec2020-merged.pdf</p> <p>Please see the Definitive Information Statement, Audit Committee Report – Annex F, page 55 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#page=55</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>FEU has an Insider Trading Policy, which aims to promote trade compliance with applicable security laws, and preserve integrity of FEU and all affiliated persons who may have insider knowledge on undisclosed material information</p> <p>Please see Insider Trading Policy, in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/06292020/BOT%20Approved_FEU_Insider%20Trading%20Policy_v.June2020.pdf</p>	

		<p>Actual dealings of Trustees involving FEU shares are disclosed via SEC Form 23B, as required by law, i.e., the Securities Regulation Code (R.A. No. 8799).</p> <p>Please see SEC Form 23B reports of FEU Trustees, in the link below:</p> <p>https://investors.feu.edu.ph/disc_23ab.asp</p> <p>Moreover, the SEC Form 17-A (page 77) contains the list of Trustees' and Management's holdings of FEU shares. Please see page 63 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09142020/13Sept2020_PSE%20Form%2017-A_FEU%20Annual%20Report%20FY2019-2020-merged.pdf#page=70</p>	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Compliant		
Supplement to Recommendation 8.2			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	Compliant	<p>FEU discloses information on share ownership and voting rights. It demonstrates transparency compliance through reports such as:</p> <p>Trustees' shareholdings in the SEC Form 23 A/B (Statement of Beneficial Ownership), available on the link below</p> <p>https://investors.feu.edu.ph/disc_23ab.asp</p> <p>and Top 100 FEU stockholders as of 31 December 2020, in the link below.</p>	

		https://investors.feu.edu.ph/reports%20new%20format/2021/01142021/PSE%20Disclosure_PSE%20Form%2017-12_List%20of%20Top%20100%20Stockholders_31Dec2020-merged.pdf The University also discloses its relationship to other companies in the group through its conglomerate map. Please see FEU's Conglomerate Map in the link below. https://investors.feu.edu.ph/documents/index/feu_conglo_03182020.jpg	
Recommendation 8.3			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	Please see Trustees' profile in the 2020 Definitive Information Statement (SEC Form 20 IS), pages 5-8 in the link below. https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#page=11 Please see Trustees' share ownership, page 3 of the same report above, in the link below: https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#page=9	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	Please see Key Officers' profile in the 2020 Definitive Information Statement (SEC Form 20 IS), pages 5-11 in the link below. https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#page=11 Please see FEU's Public Ownership Report as of 31 December 2020, in the link below.	

		https://investors.feu.edu.ph/reports%20new%20format/2021/01142021/PSE%20Disclosure_POR-1%20Public%20Ownership%20Report_31Dec2020-merged.pdf	
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Compliant	<p>The Amended By-Laws, Section XXV - Board Compensation provides that:</p> <p>“Trustees shall receive salary or compensation for their services and the same shall be fixed by the Board (as delegated by the stockholders). Nothing herein contained shall be construed to preclude any trustee from serving the corporation in any other capacity and receiving compensation therefor in addition to his compensation as such trustee.”</p> <p>Trustees get per diems for Board and Board Committee meetings attended and a one-time “bonus” at the end of the term.</p> <p>Executives get salaries and transportation allowance.</p> <p>The Talent Management Committee (formerly Remuneration Committee) annually reviews the remuneration framework to ensure that it remains transparent and consistent with the University’s objectives and long term risk assessment strategies.</p> <p>Please see the Talent Management Committee Charter in the link below:</p> <p>https://investors.feu.edu.ph/documents/charters/FEU%20Charter%20-%20TalMan%20Committee.pdf</p>	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	<p>The Talent Management Committee (formerly called Remuneration Committee) “ensures that Trustees’ and Officers’ compensation are consistent with the University’s culture, strategy and the business environment in which it operates.”</p>	

		<p>Please see the Talent Management Committee Charter in the link below:</p> <p>https://investors.feu.edu.ph/documents/charters/FEU%20Charter%20-%20TalMan%20Committee.pdf</p>	
<p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p>	<p>Non-Compliant</p>		<p>No disclosure of Trustees’ and Executives’ remuneration on an individual basis. Trustees’ remuneration, however, will be disclosed on an individual basis beginning the next fiscal year.</p> <p>However, as a group, Trustees and Executives remuneration are disclosed in the Annual Report and 2020 Definitive Information Statement.</p> <p>FEU consistently considers a balance between full disclosure and the protection and privacy of the individual Trustees and Executives.</p> <p>See Annual Report (SEC Form 17 A), pages 58-61 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09142020/13Sept2020_PSE%20Form%2017-A_FEU%20Annual%20Report%20FY2019-2020-merged.pdf#page=65</p> <p>Please see 2020 Definitive Information Statement, Item 6 – Compensation of Trustees and Executive Officers, page 15 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#page=21</p> <p>On the disclosure of the termination of Trustees and Executives, Section 4.4 (par. d) of the PSE Disclosure Rules provide that the “Resignation or</p>

			<p>removal of directors (trustees), officers or senior management and their replacement and the reasons for such” is an event mandating prompt disclosure to PSE.</p> <p>Per FEU’s Health Welfare and Retirement Fund Plan, the compulsory retirement age of Key Officers, including members of the faculty, is 65 years old. Optional retirement is at least 10 years in service.</p>
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>FEU has a policy regarding related party transactions. Please see these links available on FEU website:</p> <ul style="list-style-type: none">• Related Party Transactions Policy https://investors.feu.edu.ph/documents/corpgovernance/feu_policy4.pdf• Manual on Corporate Governance https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf <p>The Trustee with conflict of interest would abstain from the discussion and voting of that particular transaction. The Manual on Corporate Governance provides that “A trustee with a material interest in any transaction affecting the corporation shall abstain from taking part in the deliberation for the same”.</p> <p>Please see Manual on Corporation Governance, Section III - Item E no. 5, page 4 in the link below:</p>	

		https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf#page=8	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	<p>RPTs are disclosed in the Notes to the Audited Consolidated Financial Statements for the fiscal year-ended 31 May 2020 (Note 24 - Related Party Transactions).</p> <p>Please see the audited financial statements, Item 12 – Related Party Transactions, page 64 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09142020/13Sept2020_PSE%20Form%2017-A_FEU%20Annual%20Report%20FY2019-2020-merged.pdf#page=71</p> <p>The Audited Financial Statements of FEU ended 31 May 2020 were approved at the Board of Trustees’ Meeting on 18 August 2020. Likewise, said Financial Statements were approved at the Annual Stockholders’ Meeting on 17 October 2020.</p> <p>Please see the audited financial statements, Report of Independent Auditors, page 112 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09142020/13Sept2020_PSE%20Form%2017-A_FEU%20Annual%20Report%20FY2019-2020-merged.pdf#page=112</p>	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	<p>Please see the Manual on Corporate Governance, Section IV - Disclosure and Transparency, pages 5-6 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf#page=9</p> <p>FEU has a Policy on Conflict of Interest that promotes to employees the virtue of loyalty to the university, and a shared</p>	

		<p>common interest to its purpose; without regard to each individual's own personal and selfish gain.</p> <p>https://investors.feu.edu.ph/documents/corpgovernance/feu_policy2.pdf</p>	
Optional : Recommendation 8.5			
<p>1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arm's length.</p>	<p>Compliant</p>	<p>FEU's Related Party Transactions Policy imposes stringent guidelines and measures to maintain arm's length integrity in all related transactions, operations, and activities.</p> <p>Please see Related Party Transaction Policy, following link below:</p> <p>https://investors.feu.edu.ph/documents/corpgovernance/feu_policy4.pdf</p> <p>Please see the Audit Committee Charter, Section IV – Item H nos. 2 and 3, page 4 in the link below:</p> <p>https://investors.feu.edu.ph/documents/charters/FEU%20Charter%20-%20Audit%20Committee.pdf#page=4</p> <p>Also Manual on Corporate Governance, Section III – Item B no. 7, page 2 in the link below.</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf#page=6</p>	
Recommendation 8.6			
<p>1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.</p>	<p>Compliant</p>	<p>All disclosures are submitted to the Philippine Stock Exchange following their respective guidelines, and in a timely manner.</p> <ul style="list-style-type: none">• Current Rerports (SEC Form 17-C) https://investors.feu.edu.ph/disc_17c.asp	

		<ul style="list-style-type: none"> Statement of Changes in Beneficial Ownership of Securities (SEC Form 23 A/B) https://investors.feu.edu.ph/disc_23ab.asp 	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant	FEU usually appoints the following as independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets: (i) Asian Appraisal Company, Inc., and (ii) Avellana Art Gallery for appraisal of artworks' value.	
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	FEU does not have shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of FEU.	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	FEU's Manual on Corporate Governance was submitted to the Securities and Exchange Commission and the Philippine Stock Exchange on 15 May 2017 and 11 May 2017, respectively.	
2. Company's MCG is submitted to the SEC and PSE.	Compliant	Please see the Manual on Corporate Governance , in the link below:	
3. Company's MCG is posted on its company website.	Compliant	https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.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	FEU's Manual on Corporate Governance, with stamp of receipt from SEC , is posted on the university website. Please see link below: https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf	
Optional: Principle 8			

1. Does the company's Annual Report disclose the following information:	-	The University's objectives , particularly, the substantial completion of the five-year Aspiration 2020 and its forward-looking strategies is discussed in the Chairman's Message in the 2020 Annual Report posted in the FEU website:	
a. Corporate Objectives	Compliant	https://investors.feu.edu.ph/reports%20new%20format/2021/01072021/ASM2020_FEU_Chairman's%20_AnnualReport2020_Final_Updated(1)%20(1).pdf#page=6 Financial performance indicators are presented in Top Five Key Performance Indicators , pages 35 to 36, of the SEC Form 17-A: https://investors.feu.edu.ph/reports%20new%20format/2020/09142020/13Sept2020_PSE%20Form%2017-A_FEU%20Annual%20Report%20FY2019-2020-merged.pdf#page=42 and in Financial Highlights, pages 35 to 52, of the 2020 Annual Report: https://investors.feu.edu.ph/reports%20new%20format/2021/01072021/ASM2020_FEU_Chairman's%20_AnnualReport2020_Final_Updated(1)%20(1).pdf#page=32	
b. Financial performance indicators	Compliant	Non-financial indicators are shown in Top Five Key Performance Indicators , pages 37 to 39, of the SEC Form 17-A:	
c. Non-financial performance indicator	Compliant	https://investors.feu.edu.ph/reports%20new%20format/2020/09142020/13Sept2020_PSE%20Form%2017-A_FEU%20Annual%20Report%20FY2019-2020-merged.pdf#page=44	
d. Dividend Policy	Compliant		
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant	The University's dividend policy is presented in Part II – Operational and Financial Information, Item 5 , page 24, of the SEC Form 17-A:	

f. Attendance details of each director in all directors meetings held during the year	Compliant	https://investors.feu.edu.ph/reports%20new%20format/2020/09142020/13Sept2020_PSE%20Form%2017-A_FEU%20Annual%20Report%20FY2019-2020-merged.pdf#page=31	
g. Total remuneration of each member of the board of directors	Non-Compliant	<p>Biographic details of all Trustees is presented in Part III – Control and Compensation, Item 9, the pages 46 to 54, of the SEC Form 17-A:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09142020/13Sept2020_PSE%20Form%2017-A_FEU%20Annual%20Report%20FY2019-2020-merged.pdf#page=53</p> <p>and in Board of Trustees, pages 30 to 33, of the 2020 Annual Report:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2021/01072021/ASM2020_FEU_Chairman's%20AnnualReport2020_Final_Updated(1)%20(1).pdf#page=30</p> <p>The attendance of each Trustee for meetings held for the fiscal year June 1, 2019 to May 31, 2020 is shown in Number of Meetings and Attendance of the Board of Trustees, page 57, of the SEC Form 17-A:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09142020/13Sept2020_PSE%20Form%2017-A_FEU%20Annual%20Report%20FY2019-2020-merged.pdf#page=64</p> <p>The attendance of each Trustee for meetings held for the calendar year 2020 to May 31, 2021 is shown in disclosure link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2021/05242021/24May2021_PSE%20Form%2017-18%20Board%20Attendance_amended%20-%20merged.pdf</p>	<p>Collectively, the remuneration of the Trustees is disclosed in the Annual Report and the 2020 Definitive Information Statement.</p> <p>FEU consistently considers a balance between full disclosure and the protection and privacy of the individual Trustees.</p> <p>Moving forward (in succeeding fiscal years), FEU will disclose the total remuneration of the each Trustee.</p>

		<p>Information on the remunerations of the members of the Board of Trustees is shown in Compensation of Directors, pages 59 to 61, of the SEC Form 17-A:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09142020/13Sept2020_PSE%20Form%2017-A_FEU%20Annual%20Report%20FY2019-2020-merged.pdf#page=66</p>	
<p>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.</p>	Compliant	<p>FEU continues to receive awards and recognitions from both business and academic sectors for its efforts in pursuing good corporate governance, and excellent academic standing among the universities in the Asian region.</p> <p>FEU Awards and Citations are regularly posted on the university website: https://www.feu.edu.ph/index.php/about/awards-and-citations/</p> <p>The same is linked to Investor Relations’ webpage: https://investors.feu.edu.ph/</p> <p>These recognitions are also published on:</p> <p>a. The Chairman’s Annual Report, as presented in the 2020 Annual Stockholder’s Meeting. Please see ‘Celebrating Awards and Recognitions at 92’, page 20:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2021/01072021/ASM2020_FEU_Chairman's%20_AnnualReport2020_Final_Updated(1)%20(1).pdf#page=20</p> <p>b. Business and General Information, page 1, of the SEC Form 17-A:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09142020/13Sept2020_PSE%20Form%2017-</p>	

		A FEU%20Annual%20Report%20FY2019-2020-merged.pdf#page=8	
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	Compliant	<p>The Board of Trustees has a Risk Management Committee that addresses risk management areas in the University's operations.</p> <p>Please refer to Risk Management Objectives and Policies, page 14, of the SEC Form 17-A:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09142020/13Sept2020_PSE%20Form%2017-A FEU%20Annual%20Report%20FY2019-2020-merged.pdf#page=21</p>	
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	Compliant	<p>This information is contained in the Report of the Audit Committee to the Board of Trustees for the Fiscal Year Ended May 31, 2020, which is part of the 2020 Definitive Information Statement (SEC Form 20-IS) as Annex F:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#page=55</p>	
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).	Compliant	<p>The information is initially presented in Risk Management Objectives and Policies, page 14, of the SEC Form 17-A.</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09142020/13Sept2020_PSE%20Form%2017-A FEU%20Annual%20Report%20FY2019-2020-merged.pdf#page=21</p> <p>In the said portion of the report, it further refers to Note No. 4 of the Notes to Consolidated Financial Statements for a more detailed discussion. The Consolidated Financial Statements is included as an attachment to the SEC Form 17-A:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09142020/13Sept2020_PSE%20Form%2017-</p>	

[A FEU%20Annual%20Report%20FY2019-2020-merged.pdf#page=213](#)

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	<p>In accordance with its Charter, the AuditCom reviews the performance of external auditor and recommends to the Board the approval of the external auditor’s appointment or discharge. Shareholders then ratify the appointment during the Annual Stockholders Meeting.</p> <p>Please see the following links from the FEU website:</p> <ul style="list-style-type: none"> • Audit Committee Charter: <p>https://investors.feu.edu.ph/documents/charters/FEU%20Charter%20-%20Audit%20Committee.pdf</p> <ul style="list-style-type: none"> • Minutes of 2020 Annual Stockholders’ Meeting <p>https://investors.feu.edu.ph/reports%20new%20format/2020/10212020/2020%20Minutes%20of%20ASM.pdf</p>	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	Compliant	<p>The university’s external auditor is subject to the approval and endorsement by Audit Committee, for subsequent confirmation and approval by the Board, and finally, the stockholders.</p> <p>During Annual Stockholders’ Meeting held on 17 October 2020, 84.40% of shareholders ratified the appointment of the external auditor.</p> <p>Please see the Minutes of 2020 Annual Stockholders Meeting, - Appointment of External Auditor, page 20 in the link below:</p>	

		https://investors.feu.edu.ph/reports%20new%20format/2020/10212020/2020%20Minutes%20of%20ASM.pdf#page=20	
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	FEU did not remove or change its External Auditor.	
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	<p>In accordance with its Charter, the AuditCom ensures that either the external audit firm or its signing partner is rotated every 5 years or earlier. The external auditor, Punongbayan & Araullo (P&A) has met this requirement and implemented audit partner rotation effective for the fiscal year ended 31 May 2020.</p> <p>Please see Audit Committee Charter, in the link below:</p> <p>https://investors.feu.edu.ph/documents/charters/FEU%20Charter%20-%20Audit%20Committee.pdf</p>	
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: <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	<p>Please see Audit Committee Charter, in the link below:</p> <p>https://investors.feu.edu.ph/documents/charters/FEU%20Charter%20-%20Audit%20Committee.pdf</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.	Compliant	The Audit Committee ensures suitability, effectiveness and credibility of the external auditor.	

		<p>The AuditCom Charter includes the committee’s authority and responsibility in nominating the external auditor and monitoring its performance.</p> <p>Please see Audit Committee Charter, in the link below:</p> <p>https://investors.feu.edu.ph/documents/charters/FEU%20Charter%20-%20Audit%20Committee.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	<p>The Audit Committee reviews and discusses with management and external auditor significant changes and/or issues in the university’s internal control, including unusual or complex related party transactions, its counterparties and valuation of such transactions – should there be any.</p> <p>Please see Audit Committee Charter, in the link below:</p> <p>https://investors.feu.edu.ph/documents/charters/FEU%20Charter%20-%20Audit%20Committee.pdf</p>	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	<p>Please see Audit Committee Charter, in the link below:</p> <p>https://investors.feu.edu.ph/documents/charters/FEU%20Charter%20-%20Audit%20Committee.pdf</p>	
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	<p>As stated in Item No. 7, Part I - Information Required in Information Statement of FEU’s 2020 SEC Form 20IS Definitive Information Statement, the external auditors did not render non-audit services for fiscal year ended 31 May 2020.</p> <p>Please see FEU’s 2020 SEC Form 20IS Definitive Information Statement, Item 7 – Independent Public Accountant, page 16 in the link below:</p>	

		https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#page=22	
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	<p>In accordance with its Charter, the Audit Committee evaluates and determines the non-audit work, if any, of the external auditors and review periodically their non-audit fees as to materiality. The Committee shall disallow any non-audit work that will conflict with the duties or independence of the external auditor. The non-audit work, if allowed, should be disclosed.</p> <p>Please see Audit Committee Charter, in the link below:</p> <p>https://investors.feu.edu.ph/documents/charters/FEU%20Charter%20-%20Audit%20Commitee.pdf</p>	
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	<p>The University did not engage the services of its External Auditors for any non-audit engagements.</p> <p>Details of the audit fees paid to External Auditors is disclosed in Item 7 - Independent Public Accountant, page 16, of the SEC Form 20-IS:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#page=22</p>	
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	<p>Below is the information about the University's External Auditor for the fiscal year ended May 31, 2020:</p> <ol style="list-style-type: none"> 1. Name of the audit engagement partner: Mailene Sigue-Bisnar 2. Accreditation number: SEC Group A Accreditation Partner – No. 0396-AR-3 	

		<p>Firm – No. 0002-FR-5</p> <p>3. Date Accredited: March 27, 2018</p> <p>4. Expiry date of accreditation: Partner – until October 1, 2021 Firm – until March 26, 2021</p> <p>5. Name, address, contact number of the audit firm:</p> <p>Punongbayan & Araullo 20th Floor, Tower 1 The Enterprise Center 6766 Ayala Avenue 1200 Makati City, Philippines (02) 8988-2288</p>	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	Compliant	<p>FEU's external audits, Punongbayan & Araullo (P&A Grant Thornton), is covered by the SEC Oversight Assurance Review (SOAR) Inspection Program, in compliance with SEC Memorandum Circular No. 9, Series of 2017.</p> <p>P&A Grant Thornton, was subjected to SEC Oversight Assurance Review (SOAR) in September 2018.</p>	
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Compliant	<p>The University consistently sustains projects/programs for its economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.</p> <p>https://www.feu.edu.ph/index.php/community-extension-services-ces/</p>	

		<p>https://feuvso.weebly.com/projects.html</p> <p>Emergency Response and Relief Operations: https://feuvso.weebly.com/projects.html.</p> <p>Readiness to respond to various emergency operations for the victims of different types of calamities that struck the country in 2020, such as:</p> <ol style="list-style-type: none"> 1. Relief Operations for Typhoon Rolly Victims 2020 2. Relief Operations for Typhoon Ulysses Victims2020 3. Brave As One Against Covid – 19 - 2020 4. Relief Operations for Taal Volcano Eruption 2020 <p>Environmental Protection and Conservation https://feuvso.weebly.com/projects.html</p> <ol style="list-style-type: none"> 1. Sustaining Project Rehabilitation Program 2020 2. Tamaraw’s Month 2020 3. TAM World On line Exhibit 2020 4. Hands On Manila Servathon 2020 <p>Livelihood https://feuvso.weebly.com/projects.html</p> <ol style="list-style-type: none"> 1. Livelihood Project for the Kababaihan ng Payatas: Pot Making 2020 2. Project Chips in progress <p>Education and Culture https://feuvso.weebly.com/projects.html</p> <ol style="list-style-type: none"> 1. Benchmarking (SY 2019-2020) 2. SEA GAMES (SY 2019-2020) 3. Fora @ 2019 (SY 2019-2020) 4. Project SHIFT 2019 (SY 2019-2020) <p>Note: No Face to Face but sustained via WEBINAR for 2020 programs.</p> <p>Outreach Socio-Civic https://feuvso.weebly.com/projects.html</p>	
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		<p>Community Service Programs</p> <ol style="list-style-type: none">1. Paskong Handog mula sa FEUso 20202. Christmas Cheers for Children 20203. Outreach Program for the Elderly 20204. Brigada Eskwela 20205. Project 3P's: The Right to Write 20206. Project Kalong 20207. Brigada Eskwela 20208. Save the Tamaraw: Community Related Activities 20199. Good Deeds Day 201910. Outreach Program for the Elderly 2020 <p>View full projects from these links:</p> <p>https://www.feu.edu.ph/index.php/community-extension-services-ces/</p> <p>https://feuvso.weebly.com/projects.html</p>	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	<p>In compliance with SEC Memo No. 4 S2019, FEU submitted its sustainability initiatives following the Global Reporting Initiative's (GRI) Sustainability Reporting Standards.</p> <p>Please see FEU Sustainability Report for SY 2019-2020, marked as Item 14 – page 79, of the FY 2019-2020 Annual Report.</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09142020/13Sept2020_PSE%20Form%2017-A_FEU%20Annual%20Report%20FY2019-2020-merged.pdf#page=79</p>	
Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.			
Recommendation 11.1			
1. Company has media and analysts' briefings as channels of communication to ensure the timely and	Compliant	FEU utilizes its official website (https://www.feu.edu.ph) as the main channel of communication that ensures timely and accurate	

accurate dissemination of public, material and relevant information to its shareholders and other investors.		<p>dissemination of public, material and relevant information to its shareholders and other investors.</p> <p>It has also presence in major social-media platforms which allows the university to communicate with all stakeholders.</p> <p>Official Facebook Page: https://www.facebook.com/FarEasternUniversity</p> <p>Twitter: https://twitter.com/FarEasternU?ref_src=twsrc%5Egoogle%7Ctwcamp%5Eserp%7Ctwgr%5Eauthor</p> <p>YouTube: https://www.youtube.com/FarEasternUniversity1928</p> <p>Instagram: https://www.instagram.com/fareasternuniversity/</p>	
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:	Compliant	<p>FEU's official website:</p> <p>https://www.feu.edu.ph</p>	
a. Financial statements/reports (latest quarterly)	Compliant	<p>Please see SEC Form 17-Q Quarterly Report ending 30 November 2020 in the link below.</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2021/01142021/PSE%20Disclosure_FEU%20Q2%20Report%20as%20of%2030November2020_SEC%20Form%2017-Q_14Jan2021-merged.pdf</p>	
b. Materials provided in briefings to analysts and media	Compliant	<p>The quarterly and annual financial statements are posted on FEU's website after the same are disclosed to PSE and SEC. These are available to the public including analysts and media.</p> <p>Please see SEC Form 17A Annual Report for 2020 in the link below.</p>	
c. Downloadable annual report	Compliant		

		https://investors.feu.edu.ph/reports%20new%20format/2020/09142020/13Sept2020_PSE%20Form%2017-A_FEU%20Annual%20Report%20FY2019-2020-merged.pdf	
d. Notice of ASM and/or SSM	Compliant	<p>Please see Notice of Annual Stockholders' Meeting 2020 in the link below.</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09142020/14Sept2020_PSE%20Form%207-1_Notice%20of%20ASM%20Meeting-merged.pdf</p> <p>Please see Minutes of Annual Stockholders' Meeting 2020 in the link below,</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/10212020/2020%20Minutes%20of%20ASM.pdf</p> <p>Please see FEU's Amended Articles of Incorporation and Amended By-Laws in the links below.</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09162020/FEU%20AAOI%20IACS3192020_001.pdf</p> <p>https://investors.feu.edu.ph/documents/index/feu_bylaws.pdf</p>	
e. Minutes of ASM and/or SSM	Compliant		
f. Company's Articles of Incorporation and By-Laws	Compliant		
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	Compliant	<p>Please see FEU's Investor Relations webpage, in the link below.</p> <p>https://investors.feu.edu.ph/</p>	
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			
1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	<u>Quality service program for FEU Internal Audit Department (IAD)</u>	

The IAD is led by a Chief Audit Executive (CAE) who reports directly to the Audit Committee functionally and to the Chair of the Board of Trustees administratively. The scope and responsibilities of the IAD are clearly defined in the Internal Audit Charter.

The IAD adheres to the standards laid down in the International Professional Practices Framework issued by the global Institute of Internal Auditors and is working towards meeting the said standards.

IAD adopts a risk-based audit approach in formulating the annual audit plan consisted mostly of review of the internal control system. The 2020 audit plan is reviewed and approved by the AuditCom and adjusted accordingly to adapt in the new risks emerged during the pandemic.

To ensure that the internal audits are performed effectively, IAD recruits and employs suitably qualified professionals who are Certified Public Accountants (CPA) with the requisite skills set and experience. IAD auditors are active members of either the Institute of Internal Auditors Philippines (IIAP), or Philippine Institute of CPAs (PICPA), and are required to regularly attend trainings to ensure that their technical knowledge and skill sets remain current and relevant.

Frequency of review of internal control system

The Audit Committee approved the internal audit plan and audit projects performed for year 2020 consisted mostly of review of internal control system, considering the new risks emerged during the pandemic.

Based on the results of the work performed by internal and external auditors, the Board, through its AuditCom, is of the opinion that FEU's internal control system is adequate and operating effectively. This is noted in the Report of the

		<p>AuditCom to the Board of Trustees for the Fiscal Year Ended May 31, 2020.</p> <p>Please see the 2020 Definitive Information Statement - Annex F - Report of the AuditCom to the Board of Trustees, in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#page=55</p>	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	<p>The Board, through its Risk Management Committee (RMCom), has oversight responsibility over company-wide risk management policies and practices. This is stated in the RMCom Charter.</p> <p>Please see this link to the Risk Management Committee Charter:</p> <p>https://investors.feu.edu.ph/documents/charters/FEU%20Charter%20-%20Risk%20Commitee.pdf</p> <p>The University's Chief Risk Officer is Mr. Juan Miguel R. Montinola, who is concurrently Chief Finance Officer.</p> <p>An Audit and Risk Management Working Group is formed to support the CRO in his role and reporting responsibilities to the Risk Management Committee. The working group is composed of the following key officers:</p> <ul style="list-style-type: none"> • Juan Miguel Montinola. Chief Risk Officer (and the incumbent Chief Finance Officer) • Glenn Nagal, Comptroller (<i>concurrent Compliance Officer as per appointment effective 21 April 2021</i>) • Rosanna Salcedo, Treasurer • Pamela Hernandez, Chief Accountant • <i>*Rogelio C. Ormilon, Jr., Chief Audit Executive (resigned effective 16 November 2020)</i> 	

		<ul style="list-style-type: none"> • Mirajoy Tresmonte, Deputy Chief Audit Executive, Officer in Charge (effective 04 December 2020) • Carmencita Sayo, Executive Asst. to the Chairman <p>The FEU Risk Management Policy was approved by the Board in September 2019, where overall framework, principles, and risk management process.</p> <p>Please see FEU Risk Management Policy in the link below:</p> <p>https://investors.feu.edu.ph/documents/corpgovernance/feu_policy6.pdf</p> <p>Risk Management activities of the university are conducted at different layers as follows:</p> <ul style="list-style-type: none"> • <u>Departments/Institutes/Process</u> <p>The identification and assessment of risk exposures at the department and institute level are handled by their respective heads and directors.</p> <ul style="list-style-type: none"> • <u>Executive, Risk Management Committee and Audit Committee Level</u> <p>Risk exposures are discussed and evaluated by the Audit and Risk Management Working Group.</p> <p>Accordingly, all risk exposures are reported by CRO during the joint meeting of the Audit Committee and Risk Management Committee – and risk exposures discussed at this meeting are eventually reported to the Board of Trustees.</p>	
Supplement to Recommendations 12.1			
1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually	Compliant	FEU has a Compliance Officer (CO), as provided in the FEU Manual on Corporate Governance, whose duties and responsibilities include ensuring enterprise-wide compliance with	

reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.		<p>relevant laws and regulations and issuances of pertinent regulatory agencies that include SEC and PSE. The CO also collaborates with other internal departments such as the following for compliance with regulations other than those of SEC and PSE:</p> <ul style="list-style-type: none">• Human resources (HR) and legal counsel – Labor laws and issuances of DOLE;• Academic Officers – issuances of CHED;• Accounting Department – Philippine Financial Reporting Standards (PFRS) and SEC issuances on consolidated financial statements, TRAIN law and issuances of BIR, SSS, etc.; the Accounting Department collaborates with the external auditors for compliance with PFRS;• Facilities and Technical Services Departments – local government issuances and permits and DENR; and• Data Privacy Officer – Data Privacy Act <p>Please see the FEU Manual on Corporate Governance, in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf</p>	
Optional: Recommendation 12.1			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.	Compliant	<p>IT governance is an integral part of FEU’s Risk Management Framework. IT governance occurs at different layers as follows:</p> <ul style="list-style-type: none">• The Chief Information Officer regularly reports to the Chief Risk Officer (who is concurrently the Chief Finance Officer) on matters related to IT issues, concerns, risk mitigation plans and remediation action plans.• The IT related risk exposures and mitigation plans are discussed at the Audit and Risk Management Working group meetings led by the Chief Risk Officer (CRO). Meeting minutes are kept.	

		<ul style="list-style-type: none"> • Then the IT related risk exposures (together with University wide risk exposures) are reported by the CRO during the joint meeting of the Audit Committee and Risk Management Committee. Discussions at these meeting are eventually reported to the Board of Trustees. • A working group composed of the Data Privacy Officer, Chief Audit Officer, Executive Assistant to the Chair and Chief Information Officer drafted an Information Security Policy and was presented to the joint meeting of the Corporate Governance Committee and Risk Management Committee for approval. This policy defines the principles on information security across the FEU System of Schools. It is imperative for organizations to ensure data security, accuracy, integrity, and privacy; most especially nowadays when data is considered a valuable asset. 	
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Compliant	<p>FEU has an in-house internal audit department (IAD).</p> <p>Please see Internal Audit Charter, in the link below:</p> <p>https://investors.feu.edu.ph/documents/charters/FEU%20Internal%20Audit%20Charter.pdf</p> <p>.</p>	
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	<p>The Internal Audit Department (IAD) is formerly headed by the Chief Audit Executive, Mr. Rogelio C. Ormilon, Jr. . He resigned effective November 15, 2020.</p> <p>Incumbent Deputy Chief Audit Executive,,Officer in Charge is Ms. Mirajoy S. Tresmonte</p> <p>Please see related disclosures made:</p>	

		<p>Resignation of Mr. Ormilon https://investors.feu.edu.ph/reports%20new%20format/2020/11052020/28October2020_PSE%20Form%204-8_Resignation%20of%20Mr.%20Ormilon-merged.pdf</p> <p>Appointment of Ms. Tresmonte https://investors.feu.edu.ph/reports%20new%20format/2020/12032020/PSE%20Disclosure_Appointment%20of%20Mirajoy%20Tresmonte_03Dec2020-merged.pdf</p> <p>The responsibilities of the CAE are identified in the FEU Internal Audit Department Charter.</p> <p>Please see Internal Audit Charter, in the link below: https://investors.feu.edu.ph/documents/charters/FEU%20Internal%20Audit%20Charter.pdf</p>	
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	Compliant	<p>The Chief Audit Executive (CAE) oversees and is responsible for all in-house and outsourced internal audit activities. The responsibilities are contained in the FEU Internal Audit Department (IAD) Charter.</p> <p>Please see Internal Audit Charter, in the link below: https://investors.feu.edu.ph/documents/charters/FEU%20Internal%20Audit%20Charter.pdf</p>	
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	FEU has an in-house internal audit department. When an audit activity is outsourced, the CAE is responsible for the overall management of such outsourced audit activity.	
Recommendation 12.4			

1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	<p>The Board, through its Risk Management Committee (RMCom), has oversight responsibility over company-wide risk management policies and practices. This is stated in the RMCom Charter.</p> <p>Please see this link to the Risk Management Committee Charter:</p> <p>https://investors.feu.edu.ph/documents/charters/FEU%20Charter%20-%20Risk%20Commitee.pdf</p> <p>The University’s Chief Risk Officer is Mr. Juan Miguel R. Montinola, who is concurrently Chief Finance Officer.</p> <p>An Audit and Risk Management Working Group is formed to support the CRO in his role and reporting responsibilities to the Risk Management Committee. The working group is composed of the following key officers:</p> <ul style="list-style-type: none">• Juan Miguel Montinola. Chief Risk Officer (and the incumbent Chief Finance Officer)• Glenn Nagal, Comptroller (<i>concurrent Compliance Officer as per appointment effective 21 April 2021</i>)• Rosanna Salcedo, Treasurer• Pamela Hernandez, Budget Director and Chief Accountant• *Mr. Rogelio C. Ormilon, Jr., Chief Audit Executive (<i>resigned effective 16 November 2020</i>)• Ms. Mirajoy Tresmonte, Deputy Chief Audit Executive, Officer in Charge (effective 04 December 2020)• Carmencita Sayo, Executive Asst. to the Chairman <p>The FEU Risk Management Policy was approved by the Board in September 2019.</p> <p>Please see FEU Risk Management Policy in the link below:</p> <p>https://investors.feu.edu.ph/documents/corpgovernance/feu_policy6.pdf</p> <p>Risk Management activities of the university are conducted at different layers as follows:</p>
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		<ul style="list-style-type: none">• <u>Departments/Institutes/Process</u> <p>The identification and assessment of risk exposures at the department and institute level are handled by their respective heads and directors.</p> <ul style="list-style-type: none">• <u>Executive, Risk Management Committee and Audit Committee Level</u> <p>Risk exposures in the following categories are discussed and evaluated by the Audit and Risk Management Working Group:</p> <ul style="list-style-type: none">• Academic excellence• Organizational• Operational efficiency• Regulatory• Market/competition• Communication• Technology• Environmental• Physical <p>Accordingly, all risk exposures are reported by CRO during the joint meeting of the Audit Committee and Risk Management Committee – and risk exposures discussed at this meeting are eventually reported to the Board of Trustees.</p>	
1. Company seeks external technical support in risk management when such competence is not available internally.	Compliant	<p>Technical support in risk management is achieved thru the following:</p> <ul style="list-style-type: none">• The Board, through its Risk Management Committee (RMCom) composed of members with relevant experience and knowledge in risk management, has oversight responsibility over company-wide risk management policies and practices.	

		<ul style="list-style-type: none"> Further, the University has a Chief Risk Officer who reports directly to the Risk Management Committee. He is supported by an Audit and Risk Management Working Group composed of Officers. The CRO and the working group collectively have the necessary experience relevant to realizing the objectives of the FEU Risk Management Process. <p>While the Risk Management Working Group is composed of highly experienced key officers, FEU initiates collaboration with an external party to further reinforce knowledge competence.</p> <p>In 2020, FEU undertook an Engagement with SGV & Co. to conduct Cybersecurity assessment. This engagement is a measure to identify and proactively manage possible IT related risk exposure, and remediation of present IT risks arose during the pandemic..</p>	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	<p>Mr. Juan Miguel R. Montinola is FEU's Chief Risk Officer. Concurrently he holds the position of Chief Finance Officer.</p> <p>Mr. J.M.R. Montinola's profile can be found on FEU's SEC Form 20-IS - Definitive Information Statement for 2020, page 9 in the link below.</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#page=15</p> <p>See discussion on Recommendation 12.4 above.</p>	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant	The Chief Risk Officer has adequate authority and stature to fulfill his responsibilities.	
Additional Recommendation to Principle 12			

1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Compliant	<p>Based on the work performed by internal and external auditors, the Audit Committee is of the opinion that FEU's internal control system is adequate and operating effectively. This is covered by the Report of the AuditCom to the Board of Trustees for the Fiscal Year Ended May 31, 2020.</p> <p>Please see SEC Form 20-IS - Definitive Information Statement for 2020, Annex F - 2020 Report of the AuditCom to the Board of Trustees, page 55 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#page=55</p>	
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	<p>Please see Manual on Corporate Governance, Section VI, page 7 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf#page=11</p>	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	<p>Please see Manual on Corporate Governance, Section VI, page 7 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf#page=11</p>	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	Compliant	The Amended By-Laws provides that "Voting upon all questions at all meetings of the stockholders shall be made by shares of stock and not per capita or otherwise, each share of stock being counted as one vote"	

		<p>Please see Amended By-Laws, Section VI, page 1 in the link below:</p> <p>https://investors.feu.edu.ph/documents/index/feu_bylaws.pdf#page=3</p>	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	<p>FEU has common shares only (no preferred shares or any other class of shares). All common shares are treated equally with respect to voting subscription and transfer rights.</p> <p>Please see, Amended Articles of Incorporation, Article Seventh, page 3 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2017/012317/FEU%20Amended%20Articles%20of%20Incorporation%202017.pdf#page=9</p>	
3. Board has an effective, secure, and efficient voting system.	Compliant	<p>Section VII of the Amended By-Laws provides that “The annual meeting of the stockholders xxx shall be held xxx at the office of the corporation when they shall elect by cumulative voting by ballot nine trustees for one year xxx. Every stockholder is entitled to vote according to the number of shares in his name paid or unpaid xxx.”</p> <p>Please see Amended By-Laws, page 1 in the link below:</p> <p>https://investors.feu.edu.ph/documents/index/feu_bylaws.pdf#page=3</p>	
4. Board has an effective shareholder voting mechanisms such as supermajority or “majority of minority” requirements to protect minority shareholders against actions of controlling shareholders.	Compliant	<p>The Board ensures that the shareholders know their rights, and are regularly updated in the businesses of FEU.</p> <p>The website https://investors.feu.edu.ph/ is available to the public to promote transparency and encourage communication, among FEU officials, stockholders, and stakeholders.</p> <p>Please also see the link to FEU’s Manual on Corporate Governance- Section IV. Disclosure and Transparency and</p>	

		<p>Section VI – Cultivating Synergic Relationship with Shareholders.</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf</p>	
5. Board allows shareholders to call a special shareholders’ meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Compliant	<p>Per Section X, Special Meetings, of the Amended By-Laws (page 2), “two or more registered stockholders owning at least one-fourth of the issued and outstanding shares entitled to vote” may also call special meetings of the stockholders.</p> <p>https://investors.feu.edu.ph/documents/index/feu_bylaws.pdf#page=4</p>	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	<p>Please see Manual on Corporate Governance, Section VII, pages 7-8 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf#page=11</p>	
7. Company has a transparent and specific dividend policy.	Compliant	<p>FEU declared cash dividends in September 2019 and February 2020 (FY 2019-2020) The company’s dividends were paid 10 trading days after the record date or 20 trading days after the declaration date.</p> <p>Please see Dividend Policy in the links below.</p> <p>SEC Form 17A Annual Report 2020 of FEU, Part II - Operational and Financial Information, Item 5, page 24 in the link below.</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09142020/13Sept2020_PSE%20Form%2017-A_FEU%20Annual%20Report%20FY2019-2020-merged.pdf#page=112</p>	

		<p>Company’s dividend policy:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2011/0321/dividend%20policy.pdf</p>	
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders’ Meeting.	Compliant	The votes at the ASM were counted and validated by Stock Transfer Service, Inc., the independent/outourced stock transfer agent of FEU.	
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.	Compliant	<p>The notice and agenda of the Annual Stockholders’ Meeting were first disclosed to PSE on 14 September 2020, or 33 days before the meeting on 17 October 2020.</p> <p>The notice and agenda were again in the Information Statement, preliminary to SEC on 14 September 2020 and the definitive reported to PSE and SEC on 22 September 2020.</p> <p>Please see 2020 Definitive Information Statement (SEC Form 20 IS), pages 5 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#page=22</p> <p>All information related to the Annual Stockholders’ Meeting 2020, which was conducted virtually, was made available online for all shareholders.</p> <p>https://www.feu.edu.ph/asm2020/</p> <p>This includes the Guidelines for Participating via Remote Communication and Voting in Absentia, also available as Annex B, page 43, in the 2020 Definitive Information Statement (SEC Form 20 IS).</p>	

		https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#page=43	
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Compliant	Please see Notice of FEU Annual Stockholders' Meeting, page 5 in the link below: https://investors.feu.edu.ph/reports%20new%20format/2020/09142020/14Sept2020_PSE%20Form%207-1_Note%20of%20ASM%20Meeting-merged.pdf#page=5	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant	Please see Board of Trustees' profile in the 2020 Definitive Information Statement (SEC Form 20 IS), pages 5-8 in the link below: https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#page=11	
b. Auditors seeking appointment/re-appointment	Compliant	Please see 2020 Definitive Information Statement (SEC Form 20 IS), Annex A – Item 8, page 38 in the link below. https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#page=38	
c. Proxy documents	Compliant	Please see Proxy Form in the 2020 Definitive Information Statement (SEC Form 20 IS), Annex C, page 46 in the link below: https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#page=46	

Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting.	Compliant	<p>Please see rationale of the agenda for the annual stockholders' meeting in the 2020 Definitive Information Statement (SEC Form 20 IS), Annex A, page 37 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#page=37</p>	
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	<p>Please see Manual on Corporate Governance, Section VI no. 3, page 7 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf#page=11</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.	Compliant	<p>The minutes of the 17 October 2020 (a Saturday) Annual Stockholders' Meeting were posted on the FEU website on 21 October 2020, or within five (5) business days from the end of the meeting.</p> <p>Please see 2020 Minutes of Annual Stockholders' Meeting, in the link below.</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/10212020/2020%20Minutes%20of%20ASM.pdf</p>	
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	Representatives of the External Auditor of FEU, Punongbayan & Araullo, including the authorized signatory, were present during the Annual Stockholders' Meeting held on 17 October 2020.	
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-	Compliant	An alternative dispute mechanism is made available by the Board, whenever warranted, to resolve intra-corporate disputes in an amicable and effective manner.	

corporate disputes in an amicable and effective manner.		<p>Please see Manual on Corporate Governance, Section VI no. 4, page 7 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf#page=11</p>	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	<p>The use of an alternative dispute resolution system (like arbitration, mediation, conciliation, early neutral evaluation, mini-trial, or any combination thereof) in the Philippines had been institutionalized by law, i.e., Republic Act No. 9285, and by Supreme Court issuances.</p> <p>And more recently, the Revised Corporation Code (Section 181) now provides that arbitration is the alternative dispute mechanism for corporations:</p> <p>“An arbitration agreement may be provided in the articles of incorporation or by-laws of a corporation. Xxx.”</p>	
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	<p>Investor Relation Officer: Mr. Juan Miguel R. Montinola Tel. No. 8849-4151 Fax No. 8735-5648</p> <p>All concerns related to Investor Relations can be communicated via email address: corpsec@feu.edu.ph</p>	
2. IRO is present at every shareholder's meeting.	Compliant	The IRO is present at every shareholders' meeting, including the one held last 17 October 2020.	
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	<p>No anti-takeover measure or similar device that may entrench ineffective management or the existing controlling shareholder group was presented to the Board in 2020.</p> <p>If one comes up in the future, the Board will not approve nor allow it.</p>	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Compliant	<p>33.32% is FEU's public float per its Public Ownership Report as of 31 December 2020.</p> <p>Please see FEU's Public Ownership Report as of 31 December 2020, in the link below.</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2021/01142021/PSE%20Disclosure_POR-1%20Public%20Ownership%20Report_31Dec2020-merged.pdf</p>	
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	Compliant	<p>Please see Manual on Corporate Governance, Section VI, page 7 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf#page=11</p>	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	Compliant	<p>All information related to the Annual Stockholders' Meeting 2020, which was conducted virtually, was made available online for all shareholders.</p> <p>https://www.feu.edu.ph/asm2020/</p> <p>This includes the Guidelines for Participating via Remote Communication and Voting in Absentia, also available as Annex B, page 43, in the 2020 Definitive Information Statement (SEC Form 20 IS).</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2020/09232020/2020%20Definitive%20Information%20Statement.pdf#page=43</p>	

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

<p>1. Board identifies the company’s various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.</p>	<p>Compliant</p>	<p>The top 3 shareholders of FEU are:</p> <ol style="list-style-type: none"> 1. Seyrel Investment and Realty Corporation - 28.63% 2. Sysmart Corporation - 21.84% 3. Desrey, Inc. - 8.00% <p>Please see the Top 20 Stockholders, as of 31 December 2020, in the link below.</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2021/01142021/PSE%20Disclosure_PSE%20Form%2017-12_List%20of%20Top%20100%20Stockholders_31Dec2020-merged.pdf</p> <p>FEU’s policies and programs for its stakeholders are contained in the Manual on Corporate Governance, Section VI, page 7 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf#page=11</p>	
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Recommendation 14.2

<p>1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.</p>	<p>Compliant</p>	<p>Please see Manual on Corporate Governance, Section VI and VII, pages 7-8 in the link below.</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf#page=11</p> <p>Please see also Code of Business Conduct and Ethics on Treatment of Business Partners and Third Parties, pages 9-10 in the link below.</p>	
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https://investors.feu.edu.ph/documents/corpgovernance/feu_code_ethics.pdf

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

The following are the contact details which stockholders can use to voice their concerns and/or complaints for possible violation of their rights:

1. Investor Relations Office
2. Office of the Corporate Secretary
2nd Floor Administration Building
Far Eastern University
Tel. No. 8849-4000 local 106
corposec@feu.edu.ph
corpsecgroup@feu.edu.ph

Please see link below for contact details for needed Corporate Information:

<https://investors.feu.edu.ph/investorr.asp>

The **Policy on Whistle Blowing** of FEU does not only cover FEU employees and faculty, but also FEU service providers and their employees, FEU clients, and other FEU campuses. Please see, **page 2** (Coverage or Scope), in the link below.

https://investors.feu.edu.ph/documents/corpgovernance/feu_policy1.pdf

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

An alternative dispute mechanism is made available by the Board, whenever warranted, to resolve intra-corporate disputes in an amicable and effective manner.

Please see Manual on Corporate Governance, **Section VI no. 4, page 7** in the link below:

		https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf#page=11 Also, the Revised Corporation Code (Section 181) now provides that arbitration is the alternative dispute mechanism for corporations:	
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	The company did not and 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	FEU respects intellectual property rights. It sees to it that its own intellectual property rights are registered with the proper regulators. Please see Code of Business Conduct and Ethics, item 6.1, page 8 in the link below: https://investors.feu.edu.ph/documents/corpgovernance/feu_codeethics.pdf#page=9	
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	Compliant	Policies, including supplier selection procedures, implemented by the Purchasing Department are published through the Purchasing Manual and are likewise submitted and registered to the Quality Management Office. Policies are reviewed and updated on a regular basis.	
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Compliant		

Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company’s goals and participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company’s goals and in its governance.	Compliant	<p>The Board establishes policies, programs and procedures that encourage FEU employees to actively participate in the realization of FEU’s goals and in its governance.</p> <p>Please see Manual on Corporate Governance, Section VII, page 8 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2019/05242019/FEU%20Manual%20on%20Corporate%20Governance.pdf#page=12</p>	
Supplement to Recommendation 15.1			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	Compliant	<p>FEU’s reward/compensation policy provides for a merit increase system for employees who have delivered an excellent performance within a fiscal year.</p> <p>Each year, quality objectives are developed by each Division/Department which are aligned to the strategic plans of the company. Individual target setting will be part of the annual performance review process and documentation.</p>	
2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	<p>FEU has a Health and Safety Committee chaired by the FEU Safety Officer. The committee meet every first Wednesday of each month. FEU has existing policies and practices on health, safety and welfare of its employees. These policies are regularly reviewed and updated.</p> <p>The #FEUBeReady Disaster preparedness guide video was disseminated to and is played in all venues prior to the start of each event.</p> <p>FEU health and safety protocols are issued and implemented to help contain the spread and reduce the transmission of COVID-19.</p> <p>Please see Item 12 (Environment, Health and Safety) in the Code of Business Conduct and Ethics, page 12 in the link below:</p>	

		https://investors.feu.edu.ph/documents/corpgovernance/feu_code_ethics.pdf#page=13	
3. Company has policies and practices on training and development of its employees.	Compliant	<p>Each Fiscal Year, HRD plans out training and development programs addressing identified skills. As part of the new Performance Management System, individual development plans will be documented from which that Learning & Development Plans for the coming fiscal year will be based.</p> <p>Some of programs implemented include:</p> <ul style="list-style-type: none"> • Coping with the Unseen: The COVID 19 Prevention and Intervention Series • Coronavirus & Health “Braving the Pandemic as One” • Mental Health in the Workplace Amidst COVID 19 • Happiness and Gratitude in Times of Pandemic • Employee and Faculty Orientations • Fire and Safety Orientations • Culture of Teaching and Service (CTS) Training for faculty <p>Furthermore, identified employees and faculty have attended external seminars, conferences and workshops.</p>	
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Compliant	<p>The anti-corruption policy is contained in the Code of Business Conduct and Ethics. See link below.</p> <p>https://investors.feu.edu.ph/documents/corpgovernance/feu_code_ethics.pdf</p> <p>Please see also the Manual on Corporate Governance, Section VII – Item B no. 2, page 8 in the link below:</p> <p>https://investors.feu.edu.ph/reports%20new%20format/2019/0524</p>	

		2019/FEU%20Manual%20on%20Corporate%20Governance.pdf#page=12	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	<p>Policies and programs that have been approved by the board are disseminated to the concerned units in coordination with the Human Resources Division.</p> <p>Further, HR organizes training programs, policy orientation and re-orientation to different employee groups, to keep them updated and promote engagement.</p>	
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	Compliant	<p>Please see Code of Business Conduct and Ethics, Items 5.3 and 5.5, pages 8 – 9 in the link below:</p> <p>https://investors.feu.edu.ph/documents/corpgovernance/feu_code_ethics.pdfpage=12</p>	
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Compliant	<p>Please refer to the Whistle Blowing Policy in the link below:</p> <p>https://investors.feu.edu.ph/documents/corpgovernance/feu_policy1.pdf</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	<p>Please refer to the Whistle Blowing Policy in the link below:</p> <p>https://investors.feu.edu.ph/documents/corpgovernance/feu_policy1.pdf</p>	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	<p>Whistleblowing incidents are reported to the Board, and the Board is periodically updated on the developments of the said incidents. The incidents are finally resolved with the guidance of the Board and a Board action.</p>	


Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
Recommendation 16.1			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	Compliant	<p>FEU, through its Volunteerism Services Office, fully exercises its involvement in the community through unified and collaborative efforts called “TAMBayanihan” among its genuine and dedicated volunteers called “TAMBayani”. Its Corporate Social responsibility Programs are focused on the areas of education, culture, livelihood skills development, environment and disaster, emergency response and relief operation.</p> <p>Please click the links below:</p> <p>https://feuvso.weebly.com/projects.html</p> <p>https://www.feu.edu.ph/index.php/community-extension-services-ces/</p> <p>Further, FEU also has presence in major social-media platforms which allows the university to communicate with all stakeholders.</p> <p>Official Facebook Page: https://www.facebook.com/FarEasternUniversity</p> <p>Twitter: https://twitter.com/FarEasternU?ref_src=twsrc%5Egoogle%7Ctwcamp%5Eserp%7Ctwgr%5Eauthor</p> <p>YouTube: https://www.youtube.com/FarEasternUniversity1928</p> <p>Instagram: https://www.instagram.com/fareasternuniversity/</p>	
Optional: Principle 16			

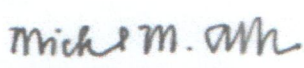
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	Compliant	<p>1. Compliant with DENR Requirements such as the following:</p> <p>1.a. Accreditation of DENR Pollution Control Officer (PCO). Current PCO: Engr. Francis M. Valerio</p> <p>1.b. Compliance to DENR Compliance Monitoring Report (CMR). Frequency of Submission of report: Twice a Year</p> <p>1.c. Compliance to DENR Quarterly Monitoring Report (SMR). Frequency of Submission of Report: Four Times a Year</p> <p>1.d. Compliance to DENR Permit to Operate of Air Pollution Source Installations (APSI) (Testing of Gen Set @ Technology Building).</p> <p>1.e. Compliance to DENR Hazardous Waste Generator Registration I.D.</p> <p>1.f. Compliance to Waste Segregation</p> <p>2. Part of FEU Green Projects</p> <p>2.a. Harvesting of rain water and drinking fountain waste water, to be used/recycled for watering plants and flushing at water closets and urinals.</p> <p>2.b. Air Handling Unit Condensate Capture and Reuse.</p> <p>2.c. Conversion of Direct Expansion Air Con Units (Split Type Units) to Chilled Water System. This system results to less carbon emission of generating electricity at power plants due to higher efficiency of the chiller plants.</p> <p>2.d. Continuous good care of our existing plants and trees to improve air quality within the FEU Campus</p>	
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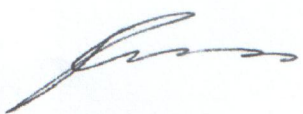
		<p>2.e. Operation of capacitor banks for power factor corrections to improve power quality and efficiency.</p> <p>2.f. Conversion of lighting system by replacing of fluorescent bulb into LED.</p> <p>2.g. Integration of Solar Photovoltaic Panel – FEU Roosevelt, Rodriguez</p> <p>2.h. Reuse of sewerage treatment plant effluent water – FEU Tech</p> <p>2.i. Integration of sewerage treatment plant in FEU Diliman</p> <p>2.j. Outsulation of building roofs to improve heat insulation</p> <p>3. Part of FEU Operation</p> <p>3.a. Conducting Preventive Maintenance to ensure the efficient operation of equipment and machine.</p> <p>3.b. Energy conservation thru scheduled/routine inspection to secure that all equipment, lightings and other devices are switched-OFF/Shut down.</p>	
2. Company exerts effort to interact positively with the communities in which it operates.	Compliant	<p>Related 2020 initiatives, include the following:</p> <p>Rehabilitation Program 2020 – Partnership with Brgy. 395 Zone 41 and resident leaders to continue beautification and greening program despite Covid-19 pandemic</p> <p>https://feuvso.weebly.com/project-rehabilitation-development-2020.html</p>	


		<p>Pursuant to the thrust of the current administration to revitalize the environmental concerns whose goal is clean, safety, beautiful surroundings, this meeting proposed to be organized relative to the advocacy of the University about “Environmental Protection and Conservation Program”</p> <p>https://feuvso.weebly.com/community-based-urban-renewal-project-2019.html</p> <p>Project SHIFT “Skills Honing Individual for Future Transformation”</p> <p>https://feuvso.weebly.com/project-shift-2019.html</p>	
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Pursuant to the requirement of SEC Memorandum Circular No. 15, Series of 2017, this Integrated Annual Corporate Governance Report (I-ACGR) is signed by the required signatories in the City of Manila, Metro Manila on 25 May, 2021.

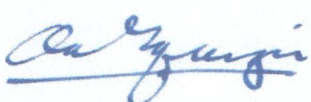

AURELIO R. MONTINOLA, III
Chairman of the Board of Trustees &
Chief Executive Officer


MICHAEL M. ALBA
President &
Chief Operating Officer


SHERISA P. NUESA
Independent Director


JOSE T. SIO
Independent Director


EDILBERTO C. DE JESUS
Lead Independent Director


ANTHONY RAYMOND A. GOQUINGCO
Corporate Secretary



GLENN Z. NAGAL
Compliance Officer

MAY 25 2021

SUBSCRIBED AND SWORN to before me this _____ day of _____ 2020, affiants exhibiting to me their respective Tax Identification Number (TIN), as follows:

NAME	TIN
Aurelio R. Montinola, III	135-558-086
Michael M. Alba	157-483-273
Sherisa P. Nuesa	132-204-906
Jose T. Sio	103-433-285
Edilberto C. De Jesus	103-104-968
Anthony Raymond A. Goquingco	211-219-446
Glenn Z. Nagal	130-358-924

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Series of 2021.


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Roll No. 28170 April 20, 1978
IBP NO. MIA. 9788229 9-29-2020 for 2021
TIN NO. 106-187-030
PTR No. 9788229 1-4-2021 Mla.
Commission No. 2019-012-15-19
Until December 31, 2020 extended up to June 2021
Due to Resolution dated Dec. 1, 2020
MCLE VI-0011185 Manila, Manila
March 17, 20-April 21-28, 2018

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