



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended :**31 December 2021**
2. SEC Identification Number:**CS201503014** 3. BIR Tax Identification No.: **008-961-476-000**
4. Exact name of issuer as specified in its charter : **FRUITAS HOLDINGS INC**
5. **PHILIPPINES**
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. **60 CORDILLERA ST. COR. E. RODRIGUEZ SR. AVE. QUEZON CITY .** **1113**
Address of principal office Postal Code
8. **(02)884209447**
Issuer's telephone number, including area code
9. **N/A**
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
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	The 2021 FHI Annual Report, filed with the Securities and Exchange Commission (the "Commission"), provides information, the working knowledge, experience, expertise, competencies and qualifications of the directors of the Company.	
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		Please refer to the 2021 Annual Report, beginning on page 12-14, for a discussion on the working knowledge, experience, expertise, competencies and qualifications of the Directors and Executive Officers of the Issuer.
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Compliant	The Board of Directors of the Company is composed of 7 directors, 4 of which are non-executive directors. Please refer to page 12 of the 2021 Annual Report for the details on the Board of Directors of the Company.	
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	Please refer to Article 11 on Training Process in the Manual on Corporate Governance ("MCG") for directors and officers.	

2. Company has an orientation program for first time directors.	Compliant	Consistent with onboarding requirements of the Company's Human Resources Team, first-time directors shall complete an orientation program that includes an introduction to the history of the Company, nature of its business and existing company policies.	
3. Company has relevant annual continuing training for all directors.	Compliant	<p>Please also refer to Article IV-C. of the MCG on the Responsibilities, Duties and Functions of the Board.</p> <p>The Company provides annual relevant continuing training for its directors and key officers.</p> <p>All of the Directors underwent training on corporate Governance last November 19, 2021.</p>	
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	<p>Please refer to Article IV.C of the MCG.</p> <p>Please see as well the Company's 2021 Annual Report, beginning on page 12, in which information about the Company's Board of Directors may be found. Such information will show that the board is diverse.</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	Under Article IV.I of the MCG the Compliance Officer has the duty to monitor, review, evaluate and ensure compliance by the Company with the provisions and requirements of the Manual of Corporate Governance, which includes the mandate of the Board to observe a board diversity policy, and the rules and regulations of	

		regulatory agencies and relevant laws and, if violations are found, report the matter to the Board and recommend the imposition of appropriate disciplinary action	
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	Mr. Marvin C. Yu is the Company's Corporate Secretary.	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		
3. Corporate Secretary is not a member of the Board of Directors.	Compliant	<p>Please refer to the 2021 Annual Report, page 15, for the qualifications of Mr. Marvin C. Yu.</p> <p>Please also refer to Article IV of the By-Laws, as amended, particularly Section 8, on the qualifications and duties of the Corporate Secretary.</p> <p>Mr. Marvin C. Yu is the Company's Corporate Secretary while Ms. Rushell A. Salvador is the Company's Compliance Officer.</p> <p>Please refer to 2021 Annual Report, particularly pages 14-15, for the qualifications of Mr. Marvin Yu and Ms. Salvador.</p>	
4. Corporate Secretary attends training/s on corporate governance.	Compliant	All of the directors and officers underwent training on corporate governance in 19 November 2021. The Company intends to avail of pertinent continuing training for all its officers and directors, including the Corporate Secretary.	
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	Non-Compliant		The board meeting materials are distributed prior to the scheduled meeting. For regular meetings, the

			agenda are distributed at least 5 days before the meeting.
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	Ms. Salvador is the Compliance Officer of the Company. She is not a member of the Board of Directors. Please refer to Annex A. List of Board of Directors.	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant		
3. Compliance Officer is not a member of the board.	Compliant	<p>Please refer to the 2021 Annual Report, specifically page 13, for the information on Ms. Salvador.</p> <p>Ms. Salvador, the Compliance Officer, also holds the rank of Vice-President in the Company. This position in the Company gives her adequate stature and authority in the corporation, particularly given her functions and experiences. Ms. Salvador impacts strategic business decisions of the Corporation.</p>	
4. Compliance Officer attends training/s on corporate governance.	Compliant	All of the directors and officers underwent training on corporate governance in November 2021. The Company intends to avail of pertinent continuing training for all its officers and directors, including the Compliance Officer who is also a Vice-President.	
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 Company's Board of Directors conducts board meetings, which include as part of the agenda business updates from its various business units, presentation and approval of financial results, and presentation and approval of various	

		corporate transactions in accordance with the approval limits set by the Company.	
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	The board directors and key officers are aware of the Vision, Mission, Core Values and goals/targets of the company.	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant		
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	Please refer to the corporate website (http://fruitasholdings.com/about-the-company/), particularly on the sections pertaining to Mission and Vision and Core Values .	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compliant	During Board meetings, business units present business updates, execution of strategies for the Board's consideration	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	Please refer to page 11-15 of the 2021 Annual Report for the details and qualification of the Chairperson.	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	Unit heads and Management are trained to implement succession planning strategies to ensure all Company aspects are running smoothly. Human Resources support corporate leadership and Organizational succession through trainings and corporate awareness programs to develop all levels of corporate management.	
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	Please refer to Article IV.F of the Manual of Corporate Governance ("MCG") on Remuneration of Directors and Officers.	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant	The Board of Directors constituted the Nomination and Compensation Committee for purposes of formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages or corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Company's culture, strategy and control environment;	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	<p>Please also refer to Article IV.G.1 of the MCG on the Nomination and Compensation Committee.</p> <p>Deliberations on remuneration of directors are conducted by the Nomination and Compensation Committee pursuant to its functions.</p> <p>Please also refer to Article IV.G.1 of the MCG on the Nomination and Compensation Committee.</p>	
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	Compliant	Please also refer to Article IV.G.1 of the MCG on the Nomination and Compensation Committee.	
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives	Compliant	Please also refer to Article IV.G.1 of the MCG on the Nomination and Compensation Committee.	

with long-term interest, such as claw back provision and deferred bonuses.			
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	The Board of Directors constituted the Nomination and Compensation Committee for purposes of installing and institutionalizing a process to pre-screen and shortlist all candidates nominated to become a member of the Board of Directors in accordance with the qualifications and/or disqualifications as described in the Company's Manual on Corporate Governance, By-Laws, and all applicable laws. Please refer to Article IV-G.1 of the MCG for the nominations from minority stockholders. Protection to the rights of minority shareholders is given due protection by the By-Laws of the Company as well. Please refer to Article III of the By-Laws, as amended, particularly Section 12 on Nomination of Directors.	
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		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		
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.	Non-Compliant		The company make use of the internal resources, primarily the Human Resources team and the Nomination and Compensation Committee in the selection of qualified candidates for positions in the Board.
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system	Compliant	The function covering related party transactions ("RPTs") is assumed by the	

governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.		Audit Committee.	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	Please refer to Article IV.G.2 of the MCG on the functions and responsibilities of the Audit Committee. The Audit Committee has the duty to evaluate on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. Further, the Audit Committee must report to the Board of Directors on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties.	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant	<p>RPTs in the MCG are defined to mean a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. It should be interpreted broadly to include not only transactions that are entered into with related parties, but also outstanding transactions that are entered into with an unrelated party that subsequently becomes a related party. Related parties under the MCG cover the Company's directors, officers, substantial shareholders and their spouses and relatives within the fourth civil degree of consanguinity or affinity, legitimate or common-law, and other persons if these persons have control, joint control or significant influence over the covered entity. It also covers the covered entity's</p>	

		parent, subsidiary, fellow subsidiary, associate, affiliate, joint venture or an entity that is controlled, jointly controlled or significantly influenced or managed by a person who is a related party.	
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 thresholds for the disclosure and approval of RPTs by shareholders and categories for transactions that identify those considered <i>de minimis</i> is being developed Board of Directors under the Article IV.C.2.k of the MCG is to ensure that there is a policy and system governing RPTs, particularly those which pass certain thresholds of materiality.</p> <p>We note that all material transactions (whether or not considered RPT) go through either the Executive Committee or the Board for approval, depending on the transaction value and are disclosed in compliance with statutory requirements on disclosure.</p> <p>Details of the company's RPT transactions are reported in BIR Form 1709- INFORMATION RETURN ON TRANSACTIONS WITH RELATED PARTY for the year 2021</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.	Non-Compliant		There is currently no voting system for the approval of specific types of RPTs during shareholders' meetings, though the same is being developed, as among the duties of the Board of Directors under the Article IV.C.2.k of the MCG is to ensure that there is a

			policy and system governing RPTs which should, accordingly, include the appropriate review and approval of material RPT. We note that all material transactions (whether or not considered RPT) go through either the Executive Committee or the Board for approval, depending on the transaction value and are disclosed in compliance with statutory requirements on disclosure.
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	Please refer to Article IV.C.2 of the MCG on the Responsibilities, Duties and Functions of the Board . Please refer to the 2021 Annual Report, beginning on page 11, for the list of officers pertaining to the heads of corporate/business units.	
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	Please refer to Article IV.5.b of the MCG on the Management team and performance assessment . The Board, with the support of Corporate Human Resources, implements performance management systems that function as assessment tools in determining and aligning the performance of Management and personnel with the long-term goals of the Company.	
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	Please refer to Article IV.5.b of the MCG on Management team and performance assessment. The Board, with the support of Corporate Human Resources, implements performance management systems that	

		function as assessment tools in determining and aligning the performance of Management and personnel with the long-term goals of the Company.	
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		
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Compliant	Please refer to Article IV.C.3 of the MCG on Internal Control Responsibilities of the Board.	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	Internal control is in place in the companies operation, while the charters are being drafted to cover wider scope, the same shall be approve by the board.	
3. Board approves the Internal Audit Charter.			
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 function of the risk management is performed by the Audit Committee. These risks are timely assessed by the committee to proactively adjust and make decisions with sound judgements.	
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		
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	The list of responsibilities, duties, functions and accountabilities of the Board of Directors and individual directors is found in the Company By-Laws (Article III) and the MCG (Article IV.A to G) which are available in the corporate website.	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant		

		The charters are drafted and is still subject to board approval.	
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	All officers and directors are advised to timely disclose trading transactions made for public disclosure. The board also adopts the block-out period as prescribed in the Philippine Stock Exchange rules. For 2021, all trading transactions are fully and timely disclosed in the PSE Edge.	
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	The company has a company handbook which includes granting cash advance and loan policies and procedures.	
2. Company discloses the types of decision requiring board of directors' approval.	Compliant	Board approvals are being disclose timely.	
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	The Board has the following committees: Executive Committee, Audit Committee, Compensation and Nomination Committee, and Corporate Governance Committee. Please refer to the following: 1. By-Laws , as amended, more particularly Article IV Sections 9-11; and 2. MCG , particularly Article IV.8.	

		The board committee charters are being drafted and is still subject to board approval.	
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	Please refer to the following: 1. By-Laws, as amended, particularly Article IV, Section 3 ; and 2. MCG, particularly Article IV G.2.	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	The Audit Committee is composed of 4 members, of which 3 are non-executive directors. The Chairman of the Audit Committee is Mr. Dennis Benghui, an independent director, who is not chairman of the Board or of any committees of the Company.	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	Please refer to the 2021 Annual Report , beginning page 11, information on the directors including memberships in board committees.	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	The Chairman of the Audit Committee is Mr. Dennis Benghui, an independent director, who is not chairman of the Board or of any committees of the Company.	
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	Please refer to Article IV.G.2 of the Manual on Corporate Governance on Audit Committee.	

2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Non-compliant		Audit procedures and audit findings are currently discussed by the external auditor with the Audit committee and management team present.
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.	Compliant	The Audit Committee meets seven (7) times during the year, as follows: every December or January for approval of external auditor's proposed plans, every April for year-end audit requirements, and every quarter for the review of quarterly financial results and agreed-upon procedures audit	
2. Audit Committee approves the appointment and removal of the internal auditor.	Compliant	Under Article IV.K, of the MCG, the Company shall have in place an independent internal audit function which shall be performed by an Internal Auditor or a group of Internal Auditors. The Internal Auditor shall report to the Audit Committee. Currently, Internal Audit functions are done by the Operations team. Material audit findings, if any, are brought to Audit Committee's attention for approval and further investigation.	
Recommendation 3.3			
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	The Board has the following committees: Executive Committee, Audit Committee, Nomination and Compensation Committee and Corporate Governance Committee. Please refer to the following Article IV.G of the MCG on Board Committees.	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Compliant	The Corporate Governance Committee is composed of 3 members who are all independent directors.	
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	The Committee Chairman is Ms. Shirley O. Tan, an independent director.	

Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.	Compliant	The Corporate Governance Committee meet thrice during the year 2021.	
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.	Non-compliant		<p>This serves as the explanation for this section pertaining to Recommendation 3.4. 1 to 4</p> <p>The duties and responsibilities of a BROC are performed by the Company's Audit Committee.</p> <p>All of the 3 members are Independent directors. Committee Chairman is Ms. Shirley O. Tan.</p> <p>Please also refer to Article IV.G.2 of the Manual on Corporate Governance on <i>Audit Committee</i>.</p>
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.			
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.			
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.			
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.	Non-compliant		<p>This serves as the explanation for this section pertaining to Recommendation 3.5 1 and 2"</p> <p>The duties and responsibilities of the Related Party Committee are performed by the Audit Committee.</p> <p>All of the members are independent directors</p> <p>Please refer to Article IV.G.2 of the MCG on the duties of Audit Committee.</p>
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.			
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.	Non-compliant		The purposes, membership, responsibilities of the board committees are found in the MCG, particularly in Article IV. The committee charters are being drafted and still subject to
2. Committee Charters provide standards for evaluating the performance of the Committees.			
3. Committee Charters were fully disclosed on the company's website.			

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	Directors attend and actively participate in all meeting of the Board. The agenda for the meeting is distributed prior to meeting.	
2. The directors review meeting materials for all Board and Committee meetings.			
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	During meetings, discussions are thorough wherein directors ask their questions and provide their inputs on the presented topics.	

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	Among the non-executive directors (NED) of the Company, Mr. Rogelio Guadalquiver concurrently serves in another publicly-listed company as an independent director of Century Peak Holdings Corporation.	
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Recommendation 4.3

1. The directors notify the company's board before accepting a directorship in another company.	Compliant	Please refer to Article IV-B of the MCG on Qualifications of Directors. For the year 2021, there were no Directors who accepted any directorship in another company.	
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	Please refer to Article IV-B of the MCG on Qualifications of Directors.	
2. Company schedules board of directors' meetings before the start of the financial year. 3.	Compliant	The Board plans the schedule and conduct of Board of Directors' meetings at the start of the financial year, though the same is subject to change depending on the directors' schedules and the needs of the Company.	
4. Board of directors meet at least six times during the year.	Compliant	The Company had 11 Board of Directors Meeting for the year 2021. Please refer to Annex B. List of Board of Directors Meeting	
5. Company requires as minimum quorum of at least 2/3 for board decisions.	Compliant	Under the By-Laws, only a majority of directors is required for quorum.	
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	The Board is composed of 3 Independent directors. Please refer to page 12 of 2021 Annual Report for the list of the Company Directors including the Independent Directors.	
Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	Please refer to 2021 Annual Report for the list of the Company Directors including the Independent Directors, their background and qualifications.	

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	The ability of directors to vote independently is not constrained by any provision in the By-Laws or any agreements.	
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	Pursuant to SEC Memorandum Circular No. 4, series of 2017, a company's independent director shall serve for a maximum cumulative term of nine (9) years. The independent directors of the Company have not yet exceeded the maximum term limit as of December 31, 2021	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	The Company shall continue to comply with statutory requirements vis-à-vis corporate governance best practices to ensure that its independent directors are qualified to serve as such pursuant to law and relevant regulations.	
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	None of the independent directors have exceeded the nine (9) year term.	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	Mr. Rogelio Guadalquivir is the Chairman of the Board whereas Mr. Lester Yu is the Chief Executive Officer. Please refer to the 2021 Annual Report , beginning on page 11, for information on the Directors and Executive Officers of the Corporation.	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	Please refer to Article IV of the By-Laws, as amended, more particularly Section 6 on the Chairman of the Board and Section 7 on the President.	

		Further, the MCG also defines the responsibilities of each role.	
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	The chairman of the board is a non-executive director.	
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	There has been no instance of a director having a material interest in a transaction affecting the corporation.	
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.	Non-compliant		Non-executive directors who are members of the Audit Committee, have separate periodic meetings with the external auditor and heads of the compliance and risk functions but also in the presence of the executive directors and officers. These are done when quarterly and year-end financial results are presented during Audit Committee meetings.
2. The meetings are chaired by the lead independent director.	Compliant	The meetings are chaired by the chairman of the Audit Committee who is an independent director.	
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.	Non-compliant		The current CEO has held such position and been a Director for the past 3 years.
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.	Non-compliant		The board is finalizing on the key performance indicators based on the duties and responsibilities of the board and its committees to be use in the evaluation. Evaluations are also included in the drafted charters of each board committee which is still subject to board approvals. The assessments have not yet been supported by an external facilitator. Moving forward an external facilitator shall be included every 3 years assessment.
2. The Chairman conducts a self-assessment of his performance.			
3. The individual members conduct a self-assessment of their performance.			
4. Each committee conducts a self-assessment of its performance.			
5. Every three years, the assessments are supported by an external facilitator.			

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	This serves as the explanation for this section pertaining to Recommendation 6.2. The criteria to determine performance of the Board, its individual directors and committees are based on their respective duties and functions. Please refer to the MCG, particularly Article IV.5.b on Duties and Functions of the Board, Article IV.6.b on the Duties and Functions of Directors and Article IV.8 on Board Committees. Feedback mechanisms are in place via correspondence through the Office of the Investor Relations.	
2. The system allows for a feedback mechanism from the shareholders.			

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	This serves as the explanation for this section pertaining to Recommendation 7.1. The company has existing Code of Business Ethics which is reviewed and updated as necessary. The most recent Manual is dated March 1, 2019.	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	The Code of Business Ethics is publicly-available through the corporate website. Under Company overview and corporate information.	
3. The Code is disclosed and made available to the public through the company website.	Compliant	The Trainings and Seminars under Corporate Human Resources have developed and are continuously developing sessions to disseminate the different programs and policies anchored on the Code of Business Ethics throughout the entire organization. Copies of the Manuals and Memorandums are posted in each of the Offices.	
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	Included as part of the Code of Business Ethics is the prevention of conflict of interest which covers non-soliciting favors or gifts, whether in cash or in kind, as consideration to any employees of the company.	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	The Human Resources Department with the help of Department Heads is in charge of the monitoring of the compliance with Code of Business Conduct and Ethics as well as Internal Policies of the company. The HR Head reports to the board of directors.	
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

<p>1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.</p>	<p>Compliant</p>	<p>The company complies with statutory requirements on disclosure as provided under the Securities Regulation Code and its Implementing Rules and Regulations, the Listing and Disclosure Rules of the Philippine Stock Exchange and other applicable rules and regulations.</p> <p>Please refer to the corporate website particularly on the section pertaining to Corporate Reports and Disclosures that include SEC Filings: SEC Form 17-A (Annual Report), SEC Form 17-Q (Quarterly Report), SEC Form 17-C (Current Report), SEC Form 23-A/B (Statement of Beneficial Ownership), General Information Sheet, Audited Financial Statements and Annual Report.</p> <p>Refer also to 2021 Annual Report page 19-20 for the list of disclosures for the year 2021.</p>	
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Supplement to Recommendations 8.1

<p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.</p>		<p>Please refer to the corporate website in which copies of the Corporation's SEC Form 17-A (Annual Report), SEC Form 17-Q (Quarterly Report) and Audited Financial Statement can be found.</p>	
<p>2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-</p>		<p>Please refer to the 2021 Annual Report for discussions re: Top 100 shareholders (Annex B of the report), Security Ownership of Certain Beneficial Owners and</p>	

holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.		Management (page 16-17), the Voting Trust Holder and Changes in Control. These discussions in the Annual Report provide appropriate information to the shareholders (including minority shareholders) of the Company regarding shareholding ownership and any associated risks.	
Recommendation 8.2			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	The Company complies with the statutory requirements on disclosures pertaining to dealings in the Company's shares and correspondingly has policies in place to ensure compliance by its directors and covered officers.	
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	Please refer to Article IV.B.2. of the Manual on Corporate Governance on the Disqualifications of Directors	
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	The Company complies with statutory requirements on disclosures pertaining to dealings in the Company's shares (by its directors, officers or persons performing similar functions and controlling shareholders). Please refer to the corporate website for a copy of SEC Form 23-B (Statement of Beneficial Ownership).	
Recommendation 8.3			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications,	Compliant	Please refer to the 2021 Annual Report , beginning on page 19-21, for the disclosure of material information pertaining to individual board members.	

and assess any potential conflicts of interest that might affect their judgment.			
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 refer to the 2021 Annual Report , beginning on page 11, for the disclosure of material information pertaining to key executives (i.e. corporate officers, heads of local units, heads of international units and heads of corporate units).	
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	Please refer to Article IV.F of the MCG on Remuneration of Directors and Officers. Please refer to the 2021 Annual Report , specifically page 12-16, on Compensation of Directors.	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	Please refer to Article IV.F of the MCG on Remuneration of Directors and Officers. Please also refer to Article IV.C of MCG the on Nomination and Compensation Committee.	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	For confidentiality and security reasons, executive compensation/remuneration is disclosed on a group basis in the Annual Report, while discussions on compensation package is on a per-individual basis. Please refer to the 2021 Annual Report , particularly page 15-16, on Executive Compensation.	
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring	Compliant	Please refer to Article IV.G.2 of the MCG on the Audit Committee. The duties and responsibilities of an RPT Committee are	

transactions in their Manual on Corporate Governance.		performed by the Company's Audit Committee.	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	All material transactions (whether or not considered a related party transaction) go through either the Executive Committee or the Board for approval, depending on the transaction value, and are disclosed in compliance with statutory requirements on disclosure. RPT details can be found in the BIR Form 1709- Transaction on Related Party.	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	The Directors are required to disclose all transactions that may lead to conflict of interest.	
Optional : Recommendation 8.5			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	Compliant	RPT transactions are disclosed in the BIR Form 1709- Transaction on Related Party Director/s with conflict of interest are abstained from the board discussion on that particular transaction.	
Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Compliant	The Company complies with statutory requirements on disclosure of material information as provided under the Consolidated Listing and Disclosure Rules of the Philippine Stock Exchange. Corporate disclosures are available at Philippines stock exchange website.	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Non-compliant		For non-material acquisitions, financial statement assets and future benefits are evaluated by the Board themselves.

			Due diligence procedures are conducted internally. So far, the Company has no material acquisitions requiring an external assessor to evaluate them while some acquisitions are evaluated thru third party due diligence checking.
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	All disclosures are currently posted on PSE Edge.	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	Please refer to the MCG which is available in the corporate website under Company overview and corporate information. https://fruitasholdings.com/investor/	
2. Company's MCG is submitted to the SEC and PSE.			
3. Company's MCG is posted on its company website.			
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	The company has submitted the initial MCG and has no amendments or updated version of the Manual as of December 31, 2021.	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:	Compliant	The Company's 2021 Annual Report is publicly available in the corporate	

a. Corporate Objectives		website.	
b. Financial performance indicators		Discussion on corporate objectives is found in Part I on Business and General Information of the 2021 Annual Report.	
c. Non-financial performance indicators			
d. Dividend Policy		Financial and non-financial performance indicators are discussed in the Notes to the financial statements which are annexed to the 2021 Annual Report. Key indicators are also in the same report.	
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors		Please refer to page 9 of the 2021 Annual report, and the Notes to Financial Statements on the discussion pertaining to Dividends.	
f. Attendance details of each director in all directors meetings held during the year			
g. Total remuneration of each member of the board of directors		While pages 12- 17 of the report for information on the Directors and Executives of the Company. For confidentiality and security reasons, executive compensation/ remuneration is disclosed on a group basis. Please refer to the 2021 Annual Report, pages 15-16	
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.	Compliant	The 2021 Annual Report includes the statement of compliance with the Code of Corporate Governance.	
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational,	Compliant	Please refer to 2021 Annual Report attachment, Sustainability report, on discussion pertaining to risks the Company is exposed to and the business continuity	

financial and compliance controls) and risk management systems.		management policy maintained by the Company	
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	Please refer to the 2021 Annual Report, specifically pages 11-12, for a discussion on Audit Committee and Policy pertaining to internal controls and risk management.	
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	Please refer to the 2021 Annual Report, page 4- 6, for discussions pertaining to risks to which the Company is exposed. Other risks are also stated in the Sustainability Report as attached in the 2021 Annual Report	
Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.			
Recommendation 9.1			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	Please refer to Article VI of the MCG on Accountability and Audit.	
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.		The re-appointment of external auditor were ratified by 67.09% of the shareholders as disclosed in the 17C- Results of Annual Stockholders meeting for the year 2021 which was posted in the company website and PSE edge.	
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.		The Company complies with statutory requirements on disclosure of material information as provided under the Consolidated Listing and Disclosure Rules of The Philippine Stock Exchange.	
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	Non-compliant	.	The current audit engagement partner is Ms. Wilson Teo covering years 2016 to 2021. Per IESBA (International Ethics Standards

			Board for Accountants) Code as of April 2018, Audit Partner Rotation Provisions for Public Interest Entities where the new provisions will permit the key audit partner to engage to a maximum of seven (7) years
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. 	Non-compliant		<p>The composition, responsibilities, duties and functions of the Audit Committee is found in the By-Laws (Article IV, Section 3. on Audit Committee) and MCG (Article IV-G.2 on Audit Committee) which are available in the corporate website.</p> <p>The committee charter has been drafted and under review and approval of the board.</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.			
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 composition, responsibilities, duties and functions of the Audit Committee is found in the By-Laws (Article IV, Section 3 on Audit Committee) and MCG (Article IV.G.2 on Audit Committee) which are available in the corporate website.</p>

2. Audit Committee ensures that the external auditor has adequate quality control procedures.		Committee Charter has been drafted and still under the review and approval of the board.	
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	Please refer to the 2021 Annual Report , page 11, for the discussion on External Audit Fees. The Audit Committee reviews and approves the audit and non-audit services rendered by the Company's external auditors to ensure that the Company does not engage the external auditors for certain non-audit services expressly prohibited by regulations of the Securities and Exchange Commission to be performed by an external auditor for its audit clients.	
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		
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	Please refer to the 2021 Annual Report, page 11, for the discussion on External Audit Fees.	
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	<p>Below are the details of the Audit Partner and External Audit Firm for the year 2021</p> <p>WILSON P. TEO Partner CPA Certificate No. 92765 Tax Identification No. 191-520-944-000 BOA Accreditation No. 4782; Valid until April 13, 2024 SEC Accreditation No. 92765-SEC Group A Issued January 28, 2020 Valid for Financial Periods 2019 to 2023 BIR Accreditation No. 08-005144-014-2020 Valid until January 1, 2023</p>	

		<p>PTR No. 8851714 Issued January 3, 2022, Makati City</p> <p>REYES TACANDONG & CO. BOA/PRC Accreditation No. 4782 August 16, 2021, valid until April 13, 2024 SEC Accreditation No. 0207-FR-3 (Group A) August 29, 2019, valid until August 28, 2022</p> <p>BDO Towers Valero (formerly Citibank Tower) 8741 Paseo de Roxas Makati City 1226 Philippines Phone : +632 8 982 9100 Fax : +632 8 982 9111 Website : www.reyestacandong.com</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	The external auditor, RTC, agreed to be subjected to the SEC Oversight Assurance Review	
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	Please refer to Annex A- Sustainability Report of the 2021 Annual Report , for discussions re: Economics, Environmental Responsibility, Social responsibility and Corporate Governance compliance	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.		Please also refer to Article IX of the MCG on Disclosure and Transparency.	

Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.			
Recommendation 11.1			
1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	Compliant	The Company has its corporate website. http://fruitasholdings.com/ All public, material and relevant information are accessible and publicly available via the company website which has a section on Corporate Reports and Disclosures that include the following SEC Filings: SEC Form 17-A (Annual Report), SEC Form 17-Q (Quarterly Report), SEC Form 17-C (Current Report), SEC Form 23-A/B (Statement of Beneficial Ownership), General Information Sheet, Audited Financial Statements and Annual Report and other disclosure reports for material information.	
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:	Compliant	The financial reports section can be found in the corporate website via the following link: https://fruitasholdings.com/investor/ Please refer to the financial reports tab in the above link for the latest quarterly report. Please refer to the section pertaining to Investor Relations tab which contain the following: Annual Reports, Financial Highlights, Financial Updates, Share	
a. Financial statements/reports (latest quarterly)			
b. Materials provided in briefings to analysts and media			
c. Downloadable annual report			
d. Notice of ASM and/or SSM			
e. Minutes of ASM and/or SSM			

f. Company's Articles of Incorporation and By-Laws		Information (Total Outstanding Shares, Top 20 Stockholders, Public Ownership, Foreign Ownership, Historical Stock Price, Historical Dividends Declaration, Additional Stocks and Dividends Information) and Investor Contact. Please refer to the Company overview and corporate information tab for the Articles of Incorporation and By- Laws	
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	Non-compliant		The company is reviewing the contents and improvement of the website to comply with SEC requirements.
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	Please refer to Article VI of the MCG on Audit and Compliance. Internal control system is reviewed annually or as necessary.	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Non-Compliant		The company is continuously developing its Enterprise Management Framework and seeks external sources to effectively prepare for company-wide manual, monitoring and control The key risks in the business operations and global interactions can be found in the page 4-6 of the 2021 Annual report and the Sustainability report attached to it.
Supplement to Recommendations 12.1			

<p>1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.</p>	<p>Compliant</p>	<p>The Company's various units monitor and ensure the Company's compliance</p>	
<p>Optional: Recommendation 12.1</p>			
<p>1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.</p>	<p>Compliant</p>	<p>The company has a separate IT department which address issues on disruption, website uploading, security and recovery of files and company data.</p>	
<p>Recommendation 12.2</p>			
<p>1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.</p>	<p>Compliant</p>	<p>The Company has its Corporate Audit unit that performs internal financial and operational audit functions which reports to the board all audit reports made.</p>	
<p>Recommendation 12.3</p>			
<p>1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.</p>	<p>Non-compliant</p>		<p>The company has not yet appointed a CAE but the Internal audit team performs its function with standard procedures initially set up by the company. These procedures are evaluated time to time to address internal control issues, if there is any.</p>
<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.</p>			
<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.</p>			

Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Non-compliant		The Enterprise Risk Management (ERM) framework of the Company is and any risk assessment management functions are implemented and/or performed by the Audit Committee.
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	Compliant	There has been no occasion that competence for risk management was not internally available and required external technical support.	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Non-compliant		Although there is no designation of CRO in the organizational structure of the Company, the champion of the Company's ERM is the Audit Committee
2. CRO has adequate authority, stature, resources and support to fulfill his/her 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.	Non-compliant		There is no attestation between the Chief Executive Officer and Chief Audit Executive in writing regarding compliance and sound internal control in place. The compliance and internal control system are in place and is monitored and assessed by the management team and committees.
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	This serves as the explanation pertaining to Recommendation 13.1.	

		Please refer to Article VIII of the Manual on Corporate Governance on Stockholders' Rights and Protection on Minority Stockholders' Interests.	
2. Board ensures that basic shareholder rights are disclosed on the company's website.		The MCG is available in the corporate website.	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	Compliant	<p>The Company complies with applicable laws and regulations upholding the rights of its shareholders, minority or otherwise.</p> <p>Please see:</p> <p>1. Articles of Incorporation</p> <p>a) Article VIII on no pre-emptive right on the part of any stockholder to subscribe to any or all issues or other disposition of shares from the Corporation.</p> <p>b) Article V on the Subscription, Issuance and Transfer of shares</p> <p>2.</p> <p>a) Article VII, on the rights of minority shareholders and resolving disputes</p> <p>Provide information on all classes of shares, including their voting rights if any.</p> <p>The stockholders concerns and proposals for special meeting can be sent to the Investment relations personnel with contact details indicated in the company's website.</p>	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.			
3. Board has an effective, secure, and efficient voting system.			
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.			
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.			
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.			
7. Company has a transparent and specific dividend policy.	Compliant	<p>Refer to the Articles of Incorporation at the Company's website on the dividend policy.</p> <p>The company has not declared any dividends for the year 2021.</p>	

Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	Non-compliant		Shareholder's vote on shareholder's meeting has been tabulated and validated by 2 different company personnel.
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	The Company sends its Notice for Annual and Special Stockholders' Meeting in compliance with relevant laws and the Company's By-Laws. PIS is available at the company's website	
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Compliant	Notice of Annual stockholders meeting were disclose to PSE , published in 2 newspaper for 2 consecutive days and The Director's profiles and related information, along with the Independent auditors appointment and proxy documents, can be found in the Company's 2021 Preliminary Information Statement.	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)			
b. Auditors seeking appointment/re-appointment			
c. Proxy documents			
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	Compliant	Please refer to Article 10 of the MCG on the Communication Process before stockholders' meetings.	
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	The Company is committed to disclose publicly all results of the Annual or Special Stockholders meeting in the company's website.	

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.		The 2021 Results of ASM and Organizational Meeting has been disclosed right after the ASM (July 27, 2021) and is available the website.	
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.		External Auditor, Reyes Tacandong and Company, has attended the Company's Annual Stockholders meeting.	
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	Please refer to the Articles 12 of the MCG on resolving stockholders' disputes. There were no disputes during the 2021 ASM.	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.			
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	The Company has an Investor Relations Office. Details are found in the corporate website. Please also refer to Article VII of the MCG on Stockholders' Rights and Protection of Minority Stockholders' Interests.	
2. IRO is present at every shareholder's meeting.		Below is the details of the Company's IRO: Mr. Juneil Dominic P. Torio Investor Relations Officer juneil.torio@fruitasholdings.com +63.932.777.8777	

		The Investor Relations Officer is present at every shareholder's meeting.	
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	Please refer to Article III of the By-Laws, as amended, particularly Section 10.	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Compliant	In the Company's Public Ownership Report as of December 31, 2021, 36.06% is owned by the public. Please refer to the Company's Public Ownership Report as of December 31, 2021 as available in the corporate website and PSE edge.	
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	Compliant	Please refer to Article VIII of the MCG on Stockholders' Rights and Protection of Minority Stockholders' Interests. Shareholders may communicate with the IRO with contact details provided in the company's website. Procedures in voting via absentia is included in the Notice to ASM	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.			
Duties to Stakeholders			
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation	Compliant	Please refer to Article IV.C.1 of the MCG on Responsibilities, Duties and Functions of the Board.	

<p>between them and the company in creating wealth, growth and sustainability.</p>		<p>Please refer to the 2021 Annual Report on Part I Business and General Information for a discussion on the different stakeholders of the Company, namely: its customers, suppliers, employees, community.</p>	
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 refer to the MCG, particularly Article VII on Stockholders' Rights and Protection of Minority Stockholders' Interests and Article IV C 1 on Responsibilities, Duties and Functions of the Board.</p>	
Recommendation 14.3			
<p>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.</p>	<p>Compliant</p>	<p>Hotlines, feedback mechanisms available to the Company's stockholders, investors and analysts through the Investor Relations Office and accreditation process for the Company's suppliers and service providers.</p> <p>Please refer to Article VII of the MCG on Stockholders' Rights and Protection of Minority Stockholders' Interests.</p> <p>Please also refer to the corporate website, particularly in the section pertaining to Code of Business Ethics and Business Conduct.</p>	
Supplement to Recommendation 14.3			
<p>1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.</p>	<p>Compliant</p>	<p>Please refer to the MCG, particularly Article 12.</p>	

Additional Recommendations to Principle 14			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	Compliant	The Company complies with all applicable laws, rules and regulations and has not requested for exemption from application of said laws, rules and regulations and no exemption has been sought or applied by the company.	
2. Company respects intellectual property rights.			
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	Compliant	Please also refer to the corporate website, particularly in the section pertaining to Code of Business Ethics.	
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Non-compliant		The company will improve business policies in supplier/contract selection procedures
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	Company policies and procedure includes dissemination of Company Goal/Targets to managers and respective employees, and their participation on the realization of the goal thru Departmental Meetings.	
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	Company has Employee Evaluation and incentive plans as approved by the Management Committee.	

2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	The health, safety and welfare of each employees in the organizations are taken care of. HRD appoints Departmental representative, committees (OSH Committee) In the promotion, dissemination and implementation of safety guidelines and procedures.	
3. Company has policies and practices on training and development of its employees.	Compliant	The company thru HRD have training programs and seminars not only to Manager and supervisors but also to rank and file employees. The Department is also promoting information on public seminars available.	
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	Anti- corruption policy is included in the Company Manual. Please also refer to the corporate website, particularly in the section pertaining to Code of Business ethics.	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.		Company policies and procedure includes dissemination of Company Policies and procedure from the start of employment and is available in the corporate website included in the code of business ethics and employee handbook.	
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	The company policy includes the penalty/sanction in case of violation	
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	The employee may contact HRD to report any illegal or unethical behavior.	
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.	Non-Compliant		All illegal and unethical behavior are directed to HRD before presented to the board for proper investigation.
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	There was no whistleblowing brought out to the board of directors as of December 31, 2021	
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	The corporate website shows the social involvement of the company including the scholarship (education funding), tree planting and community reach out specially during quarantine period.	
Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	Compliant	The communication and interaction in the community are posted in the social media pages and corporate website of the company.	
2. Company exerts effort to interact positively with the communities in which it operates			

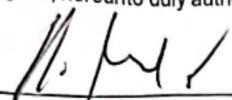
Annex A. Board of Directors

Director's Name	M/F	Position (if applicable)	Directorship Type	Date first elected	Date last elected (if ID state the number of years served as ID)	Date of Last Election	No. of years served as director
Rogelio M. Guadalquiver	M	Chairman of the Board	NED	Aug. 2019		December 1, 2021	2 year
Lester C. Yu	M	Chief Executive Officer and President	ED	Feb. 2015			7 years
Madelene T. Sayson	F	Director, Chief Operating Officer	ED	Feb. 2015*			<1 year
Calvin F. Chua	M	Director and Chief Financial Adviser	ED	Aug. 2019			2 years
Bambi Maureen E. Donato	F	Independent Director	NED	Aug. 2019	2 years		2 years
Dennis T. Beng Hui	M		NED	Aug. 2019	2 years		2 years
Shirley O'Yek Tan	F		NED	Aug. 2019	2 years		2 years

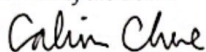
FRUITAS HOLDINGS, INC.	
DATE OF MEETING	MATTER
FOR THE YEAR 2021	
10-Apr-21	<p>Board Approvals on the following:</p> <ol style="list-style-type: none"> 1. Audited Financial Statements for the year ended December 31, 2020 2. Postponement of the 2021 annual stockholders' meeting scheduled (pursuant to our By-Laws) on June 14, 2021 to an appropriate and viable date within July 2021 to be determined hereafter by the Board of Directors, subject to compliance with notice, disclosure and other requirements under the law.
27-May-21	Board Approval on the acquisition of assets of Balai Pandesal from Balai Pandesal Corporation
07-Jun-21	<p>Board approval on:</p> <ul style="list-style-type: none"> • Setting of the 2021 Annual Stockholders' Meeting ("2021 ASM") to 27 July 2021 at 2:00 PM via remote communication and setting of the Record Date to 29 June 2021 • The amendment of Article II of the Articles of Incorporation of the Corporation to add the following secondary purpose: "11. To assume, undertake, guarantee, or secure, whether as solidary obligor, surety, guarantor, or security provider, or in any other capacity, and either on its general credit or on the mortgage or security over any of its property, the whole or any part of the liabilities and obligations of any of its direct or indirect parent, stockholders, subsidiaries, or affiliates, or any person, firm, association, or corporation, whether domestic or foreign, in which the corporation has lawful interest and for the benefit of the corporation."
29-Jun-21	Approval of 2020 Integrated- Annual Corporate Governance Report
27-Jul-21	Annual Stockholders Meeting and Annual Organizational Meeting
30-Sep-21	Approval of additional subscription of Frutas Holdings Inc. to Buko Ni Frutas Inc ("BNFI"), its subsidiary, amounting to 5million pesos for the 50,000 shares at P100 par value, and Amendment of Articles and Incorporation and By Laws of BNFI.
08-Nov-21	Approval to enter into agreement with Surehealth Multi-Specialty and Diagnostics Clinic Corporation (MOA)
27-Dec-21	<p>Board authorization with the proposed initial public offering (the "IPO") of its wholly-owned subsidiary BALAI NI FRUITAS, INC. ("BALAI"), the following:</p> <ol style="list-style-type: none"> (1) offer up to 50,000,000 common shares of BALAI as part of the base offer and an additional up to 37,500,000 common shares of BALAI, as over-allotment option, to the public at a maximum price of Php0.75 per common share of BALAI, out of the total 1,169,988,000 common shares held by FHI in BALAI; (2) its shareholdings of 1,119,988,000 common shares of BALAI, or 1,082,488,000 common shares of BALAI if the over-allotment option is fully exercised, shall be subject to a lock-up period of 365 days from listing of BALAI in compliance with PSE Rules and Guidelines; and (3) appointment of its President & CEO, Lester C. Yu, as representative, with full power and authority to sign, execute and deliver the relevant signature cards, and such other documents and or papers, as it may be deemed necessary to implement the foregoing resolutions. <p>The Board also noted BALAI's plan to offer up to 325,000,000 new common shares of BALAI in the IPO, and that the public float of BALAI can reach 27.6% of total issued shares if the over-allotment option is fully exercised</p>

SIGNATURE

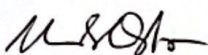
Pursuant to the requirements of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, hereunto duly authorized in Quezon City on _____.



Rogelio M. Guadalquiver
Chairman of the Board



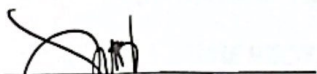
Calvin F. Chua
Director/Chief Financial Adviser



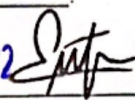
Shirley O'Yek Tan
Independent Director



Bambi Maureen E. Donato
Independent Director



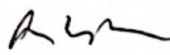
Rushell A. Salvador
Compliance Officer

MAY 30 2022 

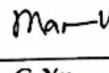
Lester C. Yu
President and Chief Executive Officer



Madelene T. Sayson
Director/Chief Operations Officer



Dennis T. Beng Hui
Independent Director



Marvin C. Yu
Corporate Secretary

SUBSCRIBED AND SWORN to before me MAY 30 2022 day of _____ at QUEZON CITY affiant exhibited to me their respective identification numbers:

Rogelio M. Guadalquiver	123-305-015-000
Lester C. Yu	191-309-944-000
Calvin F. Chua	211-386-338-000
Bambi Maureen E. Donato	161-637-757-000
Shirley O'Yek Tan	112-174-810-000
Dennis T. Beng Hui	153-978-243-000
Marvin C. Yu	214-877-469-000
Madelene T. Sayson	294-685-820-000
Rushell A. Salvador	308-465-813-000

Doc. No. 302
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Series of 2022.

ATTY. M. PERLITA P. CABRERA
Notarial Commission Extended Until
June 30, 2022, Per Supreme Court
Resolution Under B.M. No. 3795
PTR No. 2296394; 01/03/22 - QC
IBP No. 178630; 01/03/22 - QC
MCLE VII Compliant as of Oct. 2021
[Awaiting Compliance Certificate]

BOARD OF DIRECTORS' CORPORATE RESOLUTION
FRUITAS HOLDINGS INC.


The following resolution signed by the Board of Directors of Frutas Holdings Inc, (hereinafter referred to as "the Company") on the 28th day of May 2022 has been passed.

It was resolved that:

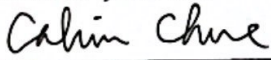
"RESOLVED, That the Board of Directors of **FRUITAS HOLDINGS INC.** (the "Corporation") approve, as it hereby approves, Filing of 2021 Integrated Annual Corporate Governance Report.

RESOLVED, FINALLY, That the officers of the Corporation be authorized to sign, execute and deliver, for and on behalf of the Corporation, any and all documents and agreements, and to do all things necessary or desirable in order to effectuate the foregoing resolutions.

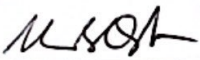
ATTESTED BY:




Rogelio M. Guadalquivir
Chairman of the Board



Calvin F. Chua
Director/Chief Financial Adviser




Shirley O'Yek Tan
Independent Director




Bambi Maureen E. Donato
Independent Director



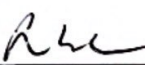
Rushell A. Salvador
Compliance Officer



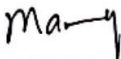
Lester C. Yu
President and Chief Executive Officer



Madelene T. Sayson
Director/Chief Operations Officer



Dennis T. Beng Hui
Independent Director



Marvin C. Yu
Corporate Secretary