

CORPORATE GOVERNANCE SCORECARD REPORT A

ANNEX B

Name of GOCC: Philippine National Construction Corporation  
 Sector: Utilities and Communications  
 Date submitted: 27-Mar-23  
 Year being assessed: 2022

| COMPONENT                          |      |  |     | GOCC SUBMISSION  |   |     |  | GCG VALIDATION |   |       |               |
|------------------------------------|------|--|-----|--|---|-----|--|----------------|---|-------|---------------|
| GRP                                | ITEM | QUESTION   | ANS | GUIDE  | COMPLIANCE  | ANS | REFERENCE LINK/SUPPORTING DOCUMENTS  | ANS            | Comments  | Score | Applied Items |
| <b>I. Stakeholder Relationship</b> |      |  |     |  |   |     |  |                |   |       |               |
| I                                  | 1.a  | Does the GOCC disclose a policy that: Stipulates the existence and scope of its effort to address customer's welfare?  | Y   | <i>The GOCC must 1.) identify its stakeholders and 2.) state the policies that were created for the welfare of its customers.</i><br><br><i>The stated policies must not be ambiguous and should include their underlying principles and guidelines.</i>   | The Article 9 of the Revised Manual on Corporate Governance identified the various stakeholders of the Company and discussed its duties to each identified stakeholders.<br><br>As part of PNCC's Quality Management System, the Quality Manual includes the detailed summary of PNCC's stakeholders in conformance with ISO 9001:2015 standard under Clause 4.2  | Y   | <a href="http://www.pncc.ph/LINKS/PDFs/AMENDED%20REVISED%20MANUAL%20ON%20CORPORATE%20GOVERNANCE%20MANUAL%202021%2017.pdf#page=36">http://www.pncc.ph/LINKS/PDFs/AMENDED%20REVISED%20MANUAL%20ON%20CORPORATE%20GOVERNANCE%20MANUAL%202021%2017.pdf#page=36</a><br><br><a href="http://www.pncc.ph/LINKS/PDFs/Relevant%20Interested%20Parties.pdf">http://www.pncc.ph/LINKS/PDFs/Relevant%20Interested%20Parties.pdf</a> | Y              | Article 9<br><br><a href="http://www.pncc.ph/LINKS/PDFs/AMENDED%20REVISED%20MANUAL%20ON%20CORPORATE%20GOVERNANCE%20MANUAL%2020217.pdf#page=36">http://www.pncc.ph/LINKS/PDFs/AMENDED%20REVISED%20MANUAL%20ON%20CORPORATE%20GOVERNANCE%20MANUAL%2020217.pdf#page=36</a><br><br>CUSTOMER WELFARE:<br>PNCC is committed to provide full client satisfaction through quality, safe and timely completion of infrastructure projects, delivery of products and services, and to operate its tollway system by providing safe and convenient travel for its users.<br><a href="http://www.pncc.ph/cg_seal.htm#Customer">http://www.pncc.ph/cg_seal.htm#Customer</a> | 1.00  | 1             |
| I                                  | 1.b  | Does the GOCC disclose a policy that: Elaborates its efforts to interact with the communities in which they operate?   | Y   | <i>The GOCC must clearly identify its policy on interacting with the communities around it.</i><br><br><i>The identified policy must not be ambiguous and should include its principles and guidelines.</i>  | The Corporate Social Responsibility Policy provides "PNCC is committed to provide employment and economic opportunities in the community where it operates.   | Y   | <a href="http://www.pncc.ph/cg_csr.htm">http://www.pncc.ph/cg_csr.htm</a><br><br><a href="http://www.pncc.ph/LINKS/PDFs/AMENDED%20REVISED%20MANUAL%20ON%20CORPORATE%20GOVERNANCE%20MANUAL%2020217.pdf#page=37">http://www.pncc.ph/LINKS/PDFs/AMENDED%20REVISED%20MANUAL%20ON%20CORPORATE%20GOVERNANCE%20MANUAL%2020217.pdf#page=37</a>   | Y              | <a href="http://www.pncc.ph/cg_csr.htm">http://www.pncc.ph/cg_csr.htm</a><br><br>Article 9.3 of <a href="http://www.pncc.ph/LINKS/PDFs/AMENDED%20REVISED%20MANUAL%20ON%20CORPORATE%20GOVERNANCE%20MANUAL%2020217.pdf#page=37">http://www.pncc.ph/LINKS/PDFs/AMENDED%20REVISED%20MANUAL%20ON%20CORPORATE%20GOVERNANCE%20MANUAL%2020217.pdf#page=37</a>   | 1.00  | 1             |
| I                                  | 1.c  | Does the GOCC disclose a policy that: Ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?   | Y   | <i>The GOCC must clearly identify its policy on 1) keeping its value chain environmentally friendly or 2) promoting sustainable development.</i><br><br><i>The identified policy must not only show how the GOCC complies with existing environmental regulations but should also show how it employs value processes that reduce waste and damage to the environment. The policy should also not be ambiguous and should include its principles and guidelines.</i> | The Corporate Social Responsibility Policy states that "PNCC is committed to safeguarding the safety and health of its employees, contractors and the general public and to preserve the environment in undertaking its operations and activities. The underlying principles are detailed in the Safety, Health and Environment Code of PNCC.<br><br>All employees are responsible and accountable for contributing to a safe working environment, fostering safe working attitudes, and operating in an environmentally responsible manner." | Y   | <a href="http://www.pncc.ph/cg_csr.htm">http://www.pncc.ph/cg_csr.htm</a><br><br><a href="http://www.pncc.ph/Safety%20Health%20and%20Environment.htm">http://www.pncc.ph/Safety%20Health%20and%20Environment.htm</a>   | Y              | <a href="http://www.pncc.ph/cg_csr.htm">http://www.pncc.ph/cg_csr.htm</a><br><br>Article 9.3 of <a href="http://www.pncc.ph/LINKS/PDFs/AMENDED%20REVISED%20MANUAL%20ON%20CORPORATE%20GOVERNANCE%20MANUAL%2020217.pdf#page=37">http://www.pncc.ph/LINKS/PDFs/AMENDED%20REVISED%20MANUAL%20ON%20CORPORATE%20GOVERNANCE%20MANUAL%2020217.pdf#page=37</a>   | 1.00  | 1             |
| I                                  | 2.a  | Does the GOCC disclose the activities that it has undertaken to implement the abovementioned policies? (Customer health and safety)  | Y   | <i>The GOCC must state the activities it has undergone during the year being assessed to implement its policies on customer health and safety.</i><br><br><i>The GOCC must state the dates when the aforementioned activities took place.</i>  | PNCC in its website under the Company Policies identified the activities undertaken to implement its health and safety policies / protocols.  | Y   | <a href="http://www.pncc.ph/LINKS/PDFs/2022%20Safety%20Health%20and%20Environment%20Activities.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20Safety%20Health%20and%20Environment%20Activities.pdf</a>  | Y              | SAFETY, HEALTH AND ENVIRONMENT ACTIVITIES FOR 2022<br><br><a href="http://www.pncc.ph/LINKS/PDFs/2022%20Safety%20Health%20and%20Environment%20Activities.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20Safety%20Health%20and%20Environment%20Activities.pdf</a>   | 1.00  | 1             |
| I                                  | 2.b  | Does the GOCC disclose the activities that it has undertaken to implement the abovementioned policies? (Interaction with the communities)  | Y   | <i>The GOCC must state the activities it has undergone during the year being assessed to implement its policies on community interaction.</i><br><br><i>The GOCC must state the dates when the aforementioned activities took place.</i>   | PNCC states in its website the activities undergone to implement its policies on community interaction  | Y   | <a href="http://www.pncc.ph/cg_csr.htm#Community">http://www.pncc.ph/cg_csr.htm#Community</a>  | Y              | Through the years, the Company has sponsored projects of local government units, charitable institutions and civic organizations:<br>Office of the Government Counsel (2022)<br>The Young Once of Barangay San Martin De Poress Paranaque City (2022)<br><br><a href="http://www.pncc.ph/cg_csr.htm#Community">http://www.pncc.ph/cg_csr.htm#Community</a>  | 1.00  | 1             |
| I                                  | 2.c  | Does the GOCC disclose the activities that it has undertaken to implement the abovementioned policies? (Environmentally-friendly value chain)  | Y   | <i>The GOCC must state the activities it has undergone during the year being assessed to implement its policies on promoting sustainable development and/or environmentally-friendly value chain.</i><br><br><i>The GOCC must state the dates when the aforementioned activities took place.</i>   | PNCC states in its website the activities undergone to implement its policies on promoting sustainable development and/or environmentally-friendly value chain.   | Y   | <a href="http://www.pncc.ph/cg_csr.htm#Community">http://www.pncc.ph/cg_csr.htm#Community</a>  | Y              | 2022. The PNCC Management in coordination with Department of Environment and Natural Resources (DENR) through Mr. Roy Gulane of DENR Main Office and Mr. Albino Adornado of DENR-PENRO conducted tree planting activities that help sustain the conservation and rehabilitation of the country's natural resources. PNCC employees with the assistance of Mr. Levino Rellano, President of Peoples' Organization in Kaliwa Watershed Forest Reserve planted 200 seedlings of bamboo at Lanatin River, Brgy. Sto. Nino, Tanay, Rizal.<br><br><a href="http://www.pncc.ph/cg_csr.htm#Community">http://www.pncc.ph/cg_csr.htm#Community</a>                     | 1.00  | 1             |
| I                                  | 3    | Does the GOCC have a separate corporate social responsibility (CSR) report/section or sustainability report/section?   | Y   | <i>The GOCC must identify both (1) the social and environmental issues of its stakeholders and (2) the activities it undertook to address the said issues during the year being assessed.</i><br><br><i>No points will be given if only the stakeholders and their CSR issues are identified.</i>  | PNCC identified the social and environmental issues of its stakeholders and activities undertaken to address the said issues.   | Y   | <a href="http://www.pncc.ph/cg_csr.htm#Environment">http://www.pncc.ph/cg_csr.htm#Environment</a>  | Y              | <a href="http://www.pncc.ph/cg_csr.htm#Environment">http://www.pncc.ph/cg_csr.htm#Environment</a>   | 1.00  | 1             |
| I                                  | 4    | Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights. Does the GOCC provide contact details via the company's website or Annual Report which stakeholders (e.g. customers, suppliers, general public etc.) can use to voice their concerns and/or complaints for possible violation of their rights? | Y   | <i>The GOCC must have contact details (phone number or email address) specifically for concerns and/or complaints.</i>   | PNCC has provided the contact details (phone number and email address) for concerns and/or complaints of stakeholders.<br><br>A social media account was created to further give other stakeholders to address their concerns and or complaints.  | Y   | <a href="http://www.pncc.ph/contact_us.htm">http://www.pncc.ph/contact_us.htm</a><br><br><a href="https://www.facebook.com/Pnl-Natl-Const-Corp-PNCC-114191231979667">https://www.facebook.com/Pnl-Natl-Const-Corp-PNCC-114191231979667</a>   | Y              | Customer Feedback:<br>Click here for complaints, inquiries and suggestions.<br><br><a href="http://www.pncc.ph/contact_us.htm">http://www.pncc.ph/contact_us.htm</a>  | 1.00  | 1             |

|   |     |  |   |  |   |   |   |   |  |       |    |
|---|-----|--|---|--|---|---|---|---|--|-------|----|
| I | 5.a | Performance-enhancing mechanisms for employee participation should be permitted to develop. Does the GOCC explicitly mention the health, safety and welfare policy for its employees?  | Y | <i>The GOCC must clearly identify its policy on employee health, welfare and safety.<br/>The identified policy must not be ambiguous and should include its principles and guidelines.</i> | PNCC clearly identified its policy on health, welfare and safety.   | Y | <a href="http://www.pncc.ph/cg_company_policies.htm#SHE">http://www.pncc.ph/cg_company_policies.htm#SHE</a>   | Y | PNCC commits to safeguard the safety and health of its employees, contractors and all general public and to preserve the environment in undertaking its operations and activities.<br><br><a href="http://www.pncc.ph/cg_company_policies.htm#SHE">http://www.pncc.ph/cg_company_policies.htm#SHE</a>                                    | 1.00  | 1  |
| I | 5.b | Does the GOCC publish data relating to health, safety and welfare of its employees?  | Y | <i>The GOCC must publish data related to health, safety and welfare of its employees such as, but not limited to, absenteeism and occupational injuries/diseases.</i>                      | PNCC has provided data related to health, safety and welfare of its employees including performance-enhancing mechanism activities and trainings                    | Y | <a href="http://www.pncc.ph/LINKS/PDFs/2022%20Safety%20Health%20and%20Environment%20Activities.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20Safety%20Health%20and%20Environment%20Activities.pdf</a>   | Y | SAFETY, HEALTH AND ENVIRONMENT ACTIVITIES FOR 2022<br><br><a href="http://www.pncc.ph/LINKS/PDFs/2022%20Safety%20Health%20and%20Environment%20Activities.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20Safety%20Health%20and%20Environment%20Activities.pdf</a>  | 1.00  | 1  |
| I | 5.c | Does the GOCC have training and development programmes for its employees?  | Y | <i>The training and development programs for employees must have occurred during the year being assessed and there should be a brief description describing each of the programs.</i>      | PNCC has provided the name of the program and number of participants and inclusive dates when the trainings/seminars were held.                                     | Y | <a href="http://www.pncc.ph/LINKS/PDFs/2022%20Performance%20Enhancing%20Mechanism%20for%20Employee%20Participation.pdf#page=10">http://www.pncc.ph/LINKS/PDFs/2022%20Performance%20Enhancing%20Mechanism%20for%20Employee%20Participation.pdf#page=10</a> | Y | Performance-Enhancing Mechanisms for Employee Participation for CY 2022<br><br><a href="http://www.pncc.ph/LINKS/PDFs/2022%20Performance%20Enhancing%20Mechanism%20for%20Employee%20Participation.pdf#page=10">http://www.pncc.ph/LINKS/PDFs/2022%20Performance%20Enhancing%20Mechanism%20for%20Employee%20Participation.pdf#page=10</a> | 1.00  | 1  |
| I | 5.d | Does the GOCC publish data on training and development programmes for its employees?   | Y | <i>The GOCC must give the name of the program and either the 1.) number of participants per program or 2.) average hours per training held</i>   | PNCC has provided the name of the program and number of participants and inclusive dates when the trainings/seminars were held.                                     | Y | <a href="http://www.pncc.ph/LINKS/PDFs/2022%20Performance%20Enhancing%20Mechanism%20for%20Employee%20Participation.pdf#page=10">http://www.pncc.ph/LINKS/PDFs/2022%20Performance%20Enhancing%20Mechanism%20for%20Employee%20Participation.pdf#page=10</a> | Y | Performance-Enhancing Mechanisms for Employee Participation for CY 2022<br><br><a href="http://www.pncc.ph/LINKS/PDFs/2022%20Performance%20Enhancing%20Mechanism%20for%20Employee%20Participation.pdf#page=10">http://www.pncc.ph/LINKS/PDFs/2022%20Performance%20Enhancing%20Mechanism%20for%20Employee%20Participation.pdf#page=10</a> | 1.00  | 1  |
| I | 6.a | Stakeholders including individual employee and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this. Does the GOCC have procedures for complaints by employees concerning illegal (including corruption) and unethical behavior? | Y | <i>The GOCC must disclose the actual procedures of their whistleblowing policy for their employees or grievance machinery. Merely stating that they have a policy will not suffice.</i>    | PNCC's Whistle Blowing Policy details the procedures on whistle blowing for employees and grievance machinery.  | Y | <a href="http://www.pncc.ph/LINKS/PDFs/WHISTLEBLOWING-POLICY.pdf">http://www.pncc.ph/LINKS/PDFs/WHISTLEBLOWING-POLICY.pdf</a>   | Y | <a href="http://www.pncc.ph/LINKS/PDFs/WHISTLEBLOWING-POLICY.pdf">http://www.pncc.ph/LINKS/PDFs/WHISTLEBLOWING-POLICY.pdf</a>  | 1.50  | 1  |
| I | 6.b | Does the GOCC have procedures to protect an employee/person who reveals illegal/unethical behavior from retaliation?   | Y | <i>The GOCC should explicitly disclose the procedures/mechanism in place that protects the whistleblower from retaliation</i>  | PNCC's Whistle Blowing Policy details the procedures on whistle blowing for employees and grievance machinery and the protection of whistleblower from retaliation. | Y | <a href="http://www.pncc.ph/LINKS/PDFs/WHISTLEBLOWING-POLICY.pdf">http://www.pncc.ph/LINKS/PDFs/WHISTLEBLOWING-POLICY.pdf</a>   | Y | Section E. Procedures in Handling Whistleblowing Reports<br><br><a href="http://www.pncc.ph/LINKS/PDFs/WHISTLEBLOWING-POLICY.pdf">http://www.pncc.ph/LINKS/PDFs/WHISTLEBLOWING-POLICY.pdf</a>  | 1.50  | 1  |
|   |     |  |   |  |   |   |   |   |  | 15.00 | 14 |

| COMPONENT                              |      |   |     | GOCC SUBMISSION  |  |     |   | GCG VALIDATION |   |       |               |
|--|------|---|-----|--|--|-----|---|----------------|---|-------|---------------|
| GRP                                    | ITEM | QUESTION  | ANS | GUIDE  | COMPLIANCE   | ANS | REFERENCE LINK/SUPPORTING DOCUMENTS   | ANS            | Comments  | Score | Applied Items |
| <b>II. Disclosure and Transparency</b> |      |   |     |  |  |     |   |                |   |       |               |
| II                                     | 7.a  | Does the GOCC's website disclose the following items: Corporate objectives  | Y   | <i>The GOCC's corporate objectives must be specific, measurable, achievable, realistic and timely. Showing the GOCC's performance scorecard will also be given points.</i>   | PNCC's specific, measurable, achievable, realistic and timely corporate objectives were incorporated in its Performance Scorecard as approved by GCG | Y   | <a href="http://www.pncc.ph/LINKS/PDFs/2022-Performance-Scorecard.pdf">http://www.pncc.ph/LINKS/PDFs/2022-Performance-Scorecard.pdf</a>   | Y              | <a href="http://www.pncc.ph/LINKS/PDFs/2022-Performance-Scorecard.pdf">http://www.pncc.ph/LINKS/PDFs/2022-Performance-Scorecard.pdf</a>   | 4.00  | 1             |
| II                                     | 7.b  | Does the GOCC's website disclose the following items: Financial performance indicators  | Y   | <i>Apart from declaring the financial performance indicators in the annual report and audited financial statements, declaring the financial strategic measures in the GOCC's performance scorecard will also merit points.</i>   | PNCC discloses the quarterly performance report on financial strategic measures in the Performance Scorecard.  | Y   | <a href="http://www.pncc.ph/LINKS/PDFs/2022%20PES%201st2nd%20Quarter%20Monitoring%20Report.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20PES%201st2nd%20Quarter%20Monitoring%20Report.pdf</a><br><br><a href="http://www.pncc.ph/LINKS/PDFs/2022%20PES%204th%20Quarter%20Report.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20PES%204th%20Quarter%20Report.pdf</a><br><br><a href="http://www.pncc.ph/LINKS/PDFs/2022%20PES%203rd%20Quarter%20Report.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20PES%203rd%20Quarter%20Report.pdf</a> | Y              | <a href="http://www.pncc.ph/LINKS/PDFs/2022%20PES%201st2nd%20Quarter%20Monitoring%20Report.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20PES%201st2nd%20Quarter%20Monitoring%20Report.pdf</a><br><br><a href="http://www.pncc.ph/LINKS/PDFs/2022%20PES%203rd%20Quarter%20Report.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20PES%203rd%20Quarter%20Report.pdf</a><br><br><a href="http://www.pncc.ph/LINKS/PDFs/2022%20PES%204th%20Quarter%20Report.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20PES%204th%20Quarter%20Report.pdf</a> | 4.00  | 1             |
| II                                     | 7.c  | Does the GOCC's website disclose the following items: Non-financial performance indicators  | Y   | <i>Apart from declaring the non-financial performance indicators in the annual report and accomplishment reports, declaring the non-financial strategic measures in the GOCC's performance scorecard will also merit points.</i> | PNCC discloses the quarterly performance report on non-financial strategic measures in the Performance Scorecard.                                    | Y   | <a href="http://www.pncc.ph/LINKS/PDFs/2022%20PES%201st2nd%20Quarter%20Monitoring%20Report.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20PES%201st2nd%20Quarter%20Monitoring%20Report.pdf</a><br><br><a href="http://www.pncc.ph/LINKS/PDFs/2022%20PES%203rd%20Quarter%20Report.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20PES%203rd%20Quarter%20Report.pdf</a><br><br><a href="http://www.pncc.ph/LINKS/PDFs/2022%20PES%204th%20Quarter%20Report.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20PES%204th%20Quarter%20Report.pdf</a> | Y              | <a href="http://www.pncc.ph/LINKS/PDFs/2022%20PES%201st2nd%20Quarter%20Monitoring%20Report.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20PES%201st2nd%20Quarter%20Monitoring%20Report.pdf</a><br><br><a href="http://www.pncc.ph/LINKS/PDFs/2022%20PES%203rd%20Quarter%20Report.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20PES%203rd%20Quarter%20Report.pdf</a><br><br><a href="http://www.pncc.ph/LINKS/PDFs/2022%20PES%204th%20Quarter%20Report.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20PES%204th%20Quarter%20Report.pdf</a> | 4.00  | 1             |
| II                                     | 7.d  | Does the GOCC's website disclose the following items: Details of whistle-blowing policy   | Y   | <i>The GOCC must disclose the actual procedures of their whistleblowing policy for their stakeholders. Merely stating that they have a whistleblowing policy will not suffice.</i>   | Actual procedures in Whistleblowing has been stated in its policy.   | Y   | <a href="http://www.pncc.ph/LINKS/PDFs/WHISTLEBLOWING-POLICY.pdf">http://www.pncc.ph/LINKS/PDFs/WHISTLEBLOWING-POLICY.pdf</a>   | Y              | <a href="http://www.pncc.ph/LINKS/PDFs/WHISTLEBLOWING-POLICY.pdf">http://www.pncc.ph/LINKS/PDFs/WHISTLEBLOWING-POLICY.pdf</a>   | 4.00  | 1             |
| II                                     | 7.e  | Does the GOCC's website disclose the following items: Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners | Y   | <i>All of the biographical details of ex officio and appointive directors being asked by the item must be provided, otherwise no point will be given should there be a missing detail.</i>                                       | Biographical details of all appointive directors including the ex-officio director has been disclosed in the company website.                        | Y   | <a href="http://www.pncc.ph/home_our_company_BOD.htm">http://www.pncc.ph/home_our_company_BOD.htm</a>   | Y              | <a href="http://www.pncc.ph/home_our_company_BOD.htm">http://www.pncc.ph/home_our_company_BOD.htm</a>   | 4.00  | 1             |

|                    |     |   |   |   |  |   |  |   |  |              |          |
|--------------------|-----|---|---|---|--|---|--|---|--|--------------|----------|
| II                 | 7.f | Does the GOCC's website disclose the following items: Training and/or continuing education programme attended by each director/commissioner   | Y | All the trainings of Appointive Directors up until the year being assessed must be disclosed. If the Appointive Director did not attend a meeting on the year being assessed, a statement regarding his lack of training must be made in order to garner points for this item.  | In view of COVID Pandemic, all trainings of the Board are suspended, no budget was allocated for it.   | N |  | N |  | 0.00         | 0        |
| II                 | 9   | Does the GOCC's website contain a statement confirming the company's full compliance with the code of corporate governance and where there is non-compliance, identify and explain reasons for each such issue? | Y | The GOCC must state that it fully complies with the code of corporate governance and if there is non-compliance, it must explain the reason for the non-compliance.<br><br>Merely stating that the GOC "generally complies" with the code of corporate governance will not be taken as full compliance and will not garner any points | PNCC does not fully comply with the code of corporate governance. The reason for non-compliances are indicated in the IACGR 2022 and previous years. | N |  | N |  | 0.00         | 0        |
| <b>Total Score</b> |     |   |   |   |  |   |  |   |  | <b>20.00</b> | <b>5</b> |

| COMPONENT                        |      |  |     | GOCC SUBMISSION  |  |     |  | GGG VALIDATION |  |       |               |
|----------------------------------|------|--|-----|--|--|-----|--|----------------|--|-------|---------------|
| GRP                              | ITEM | QUESTION   | ANS | GUIDE  | COMPLIANCE   | ANS | REFERENCE LINK/SUPPORTING DOCUMENTS  | ANS            | REMARKS  | Score | Applied Items |
| <b>III. Board Responsibility</b> |      |  |     |  |  |     |  |                |  |       |               |
| III                              | 11.a | Has the Board of Directors reviewed the vision and mission/ strategy in the last financial year?                               | Y   | The GOCC must disclose that the Board has reviewed the mission, vision and strategy during the year being assessed. The date of review must also be indicated. Merely stating the GOCC's mission, vision and strategy, and posting documents (strategy map and scorecard) will not be given points.  | On annual basis, the Board through its PAN Committee reviews its mission, vision and strategies. Prior submission to the GCG, the Board shall approve the mission, vision and strategies upon the recommendation of the PAN Committee. | Y   | The Board in its meeting dated September 24, 2020 approved the Performance Scorecard for 2021 where the vision, mission and strategies were included. See attached Board Resolution on the approval of the 2022 Performance Scorecard where it included its vision, mission and strategies.<br><br><a href="http://www.pncc.ph/LINKS/PDFs/2022%20Board%20Reso%20PES.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20Board%20Reso%20PES.pdf</a> | Y              | Board Resolution No. BD 05-2022<br><br>WHEREAS, the proposed PNCC Performance Scorecard for 2022 was deliberated upon by the PAN Committee during the meetings held on 26 January 2022 and 9 February 2022.<br><br>WHEREAS, the proposed PNCC Performance Scorecard for 2022 was adopted and finalized by the PAN Committee during the meeting held on 9 February 2022 and recommended to be submitted to the Board for approval<br><br>RESOLVED, AS IT IS HEREBY RESOLVED, that the PNCC Performance Scorecard for 2022 be adopted and approved, as it is hereby approved.<br><br><a href="http://www.pncc.ph/LINKS/PDFs/2022%20Board%20Reso%20PES.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20Board%20Reso%20PES.pdf</a> | 1.50  | 1             |
| III                              | 11.b | Does the Board of Directors monitor/oversee the implementation of the corporate strategy?                                      | Y   | There should be a disclosure on how the Board oversees the implementation of the corporate strategy.   | The Board through its PAN Committee requires the Management to present its accomplishment on the Performance Scorecard on a quarterly basis.   | Y   | See the attached minutes of meetings of PAN Committee meeting when accomplishment on strategic measures on Performance Scorecard was presented by  | Y              | See the attached minutes of meetings of PAN Committee meeting when accomplishment on strategic measures on Performance Scorecard was presented by Management<br><br><a href="http://www.pncc.ph/LINKS/PDFs/2022%20PAN%20monitoring%20performance.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20PAN%20monitoring%20performance.pdf</a>  | 1.50  | 1             |
| III                              | 13.a | Are the details of the code of ethics or conduct disclosed?  | Y   | The details of the Code of Ethics or Conduct must be disclosed. Merely stating that the GOCC has a Code of Ethics without divulging information on the coverage of the Code or how breaches are handled will not suffice.  | PNCC details its Code on Employees Conduct and Discipline  | Y   | <a href="http://www.pncc.ph/cg_cced.htm">http://www.pncc.ph/cg_cced.htm</a>  | Y              | PNCC has developed two codes, the "PNCC Codes of Conduct" and the "PNCC Code of Employee Discipline (CCED)". It contains the preambular portion or the "Declaration of Principles", which details out the requirements for the successful implementation of the Codes.<br><br><a href="http://www.pncc.ph/cg_cced.htm">http://www.pncc.ph/cg_cced.htm</a>  | 1.00  | 1             |
| III                              | 13.b | Does the GOCC disclose that all Directors/Commissioners, senior management and employees are required to comply with the code? | Y   | It must be explicitly stated that all the Directors, senior management and the employees are required to comply with the Code. If the Code is only for employees, the item will be marked as "N."  | PNCC explicitly stated in its website that all Directors, senior management and employees are required to comply with the Code of Ethics or Conduct.   | Y   | <a href="http://www.pncc.ph/cg_cced.htm">http://www.pncc.ph/cg_cced.htm</a>  | Y              | Directors and officers shall at all times avoid any actual or potential conflict of interest with the GOCC. Each shall also avoid any conduct or situation, which could reasonably be construed as creating an appearance of a conflict of interest.<br><br>All employees shall not directly or indirectly participate for their personal gain in any business transaction or contact entered into by the company and shall strictly avoid conflict of interest in the performance of their functions.<br><br><a href="http://www.pncc.ph/cg_cced.htm">http://www.pncc.ph/cg_cced.htm</a>  | 1.00  | 1             |
| III                              | 13.c | Does the company disclose how it implements and monitors compliance with the code of ethics or conduct?                        | Y   | Examples of activities done in order to implement or monitor compliance with the Code of Ethics/Conduct are:<br><br>- communicating the code to all existing and new employees and directors<br>- making the code available on the company intranet for ease of access<br>- requiring all parties to declare annually that they have complied with the code of ethics or conduct | PNCC has disclosed in its website how it implements and monitors compliance with the code of ethics.   | Y   | <a href="http://www.pncc.ph/cg_cced.htm">http://www.pncc.ph/cg_cced.htm</a>  | N              | No implementation and monitoring procedures/activities were disclosed  | 0.00  | 0             |
| III                              | 14   | Does the Board appoint a Nomination Compensation / Remuneration Committee?   | Y   | The GOCC must disclose the names of all of the members of its Nomination, Compensation / Remuneration Committee during the year being assessed. Merely stating the name of the office/agency of the Ex Officio Member will not suffice and will not garner any points.   | PNCC disclosed the names of all the members of Corporate Governance Committee (CGC). The is also CGC assumes the responsibilities of the Nomination, Compensation and Remuneration Committee.  | Y   | <a href="http://www.pncc.ph/cg_board_committees.htm#CGC">http://www.pncc.ph/cg_board_committees.htm#CGC</a>  | Y              | CORPORATE GOVERNANCE COMMITTEE (Formerly Nomination and Compensation Committee)<br>Chairman vacant<br>Vice Chairman Pedro B. Cabatangan, Jr.<br>Members: Alan R. Luga, Mohamad Taha A. Guinomia, William T. Yu, Jonathan S. Avacenea<br>Ex Officio Member: PMO Representative<br><br><a href="http://www.pncc.ph/cg_board_committees.htm#CGC">http://www.pncc.ph/cg_board_committees.htm#CGC</a>   | 0.50  | 1             |
| III                              | 15   | Did the Nomination Compensation/Remuneration Committee meet at least twice during the year?                                    | Y   | The GOCC must publish the meeting attendance records during the year being assessed.   | PNCC published the meeting attendance records of the Corporate Governance Committee which assumes the the responsibilities of the Nomination Committee.  | Y   | <a href="http://www.pncc.ph/LINKS/PDFs/2022%20Corporate%20Governance%20Committee%20Attendance.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20Corporate%20Governance%20Committee%20Attendance.pdf</a>  | Y              | 6 Meetings held for CY 2022<br><br><a href="http://www.pncc.ph/LINKS/PDFs/2022%20Corporate%20Governance%20Committee%20Attendance.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20Corporate%20Governance%20Committee%20Attendance.pdf</a>   | 1.50  | 1             |

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|-----|------|--|---|--|---|---|--|---|---|------|---|
| III | 16   | If yes, is the report of the Nomination Compensation/Remuneration Committee publicly disclosed?                                | Y | <i>The GOCC must publish an accomplishment report of the committee and/or minutes of the meetings held.</i>  | PNCC published the accomplishment report of the Corporate Governance Committee.   | Y | <a href="http://www.pncc.ph/LINKS/PDFs/2022%20Accomplishment%20of%20Corporate%20Governance%20Committee.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20Accomplishment%20of%20Corporate%20Governance%20Committee.pdf</a>  | Y | CORPORATE GOVERNANCE COMMITTEE ACCOMPLISHMENT FOR CY 2022 – Work Done and Issues Addressed<br><br><a href="http://www.pncc.ph/LINKS/PDFs/2022%20Accomplishment%20of%20Corporate%20Governance%20Committee.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20Accomplishment%20of%20Corporate%20Governance%20Committee.pdf</a>   | 1.50 | 1 |
| III | 17   | Does the Board appoint an Audit Committee?   | Y | <i>The GOCC must disclose the names of all of the members of its Audit Committee during the year being assessed. Merely stating the name of the office/agency of the Ex Officio Member will not suffice and will not garner any points.</i>  | PNCC disclosed the names of all the members of Audit Committee for 2022.  | Y | <a href="http://www.pncc.ph/cg_board_committees.htm#Audit">http://www.pncc.ph/cg_board_committees.htm#Audit</a>  | Y | AUDIT COMMITTEE<br>Chairman: Lamberto B. Mercado, Jr.<br>Vice Chairman: vacant<br>Members: Mohammad Taha A. Guinomla, William T. Yu, Jonathan S. Avancena, Pedro B. Cabataingan Jr., Carlo Antonio B. Almirante<br>Ex Officio Member: PMO Representative<br><br><a href="http://www.pncc.ph/cg_board_committees.htm#Audit">http://www.pncc.ph/cg_board_committees.htm#Audit</a>   | 0.50 | 1 |
| III | 18   | If yes, is the report of the Audit Committee publicly disclosed?   | Y | <i>The GOCC must publish an accomplishment report of the committee and/or minutes of the meetings held.</i>  | PNCC published the accomplishment report of the Audit Committee.  | Y | <a href="http://www.pncc.ph/LINKS/PDFs/2022%20Audit%20Committee.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20Audit%20Committee.pdf</a>  | Y | AUDIT COMMITTEE ACCOMPLISHMENT FOR CY 2022 – Work Done and Issues Addressed<br><br><a href="http://www.pncc.ph/LINKS/PDFs/2022%20Accomplishment%20of%20Audit%20Committee.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20Accomplishment%20of%20Audit%20Committee.pdf</a>  | 1.50 | 1 |
| III | 19   | Does at least one member of the Audit Committee have an audit, accounting or finance background (qualification or experience)? | Y | <i>The educational qualifications and/or work experience of the Audit Committee Members should be disclosed. At least one of the Audit Committee Members must have an audit, accounting or finance educational or work background in order to garner points for this item.</i>               | The educational qualifications and work experience of the members of the Audit Committee has been disclosed in the website. Two (2) members of the Audit Committee have an audit, accounting and finance educational and work background. | Y | <a href="http://www.pncc.ph/home_our_company_BOD_2017to2022.htm#Guinomla">http://www.pncc.ph/home_our_company_BOD_2017to2022.htm#Guinomla</a><br><br><a href="http://www.pncc.ph/home_our_company_BOD.htm#Mercado">http://www.pncc.ph/home_our_company_BOD.htm#Mercado</a> | Y | <a href="http://www.pncc.ph/home_our_company_BOD_2017to2022.htm#Guinomla">http://www.pncc.ph/home_our_company_BOD_2017to2022.htm#Guinomla</a><br><br><a href="http://www.pncc.ph/home_our_company_BOD.htm#Mercado">http://www.pncc.ph/home_our_company_BOD.htm#Mercado</a>  | 1.50 | 1 |
| III | 20   | Did the Audit Committee meet at least four times during the year?  | Y | <i>The GOCC must disclose all the audit committee meetings held during the year being assessed.</i>  | PNCC disclosed in its website the attendance to the meetings of the members of the Audit Committee held in 2022.  | Y | <a href="http://www.pncc.ph/LINKS/PDFs/2022%20Audit%20Committee%20Attendance.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20Audit%20Committee%20Attendance.pdf</a>  | Y | 4 Meetings held for CY 2022<br><br><a href="http://www.pncc.ph/LINKS/PDFs/2022%20Audit%20Committee%20Attendance.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20Audit%20Committee%20Attendance.pdf</a>  | 1.50 | 1 |
| III | 21   | Does the Board appoint a Risk Management Committee?  | Y | <i>The GOCC must disclose the names of all of the members of its Risk Management Committee during the year being assessed. Merely stating the name of the office/agency of the Ex Officio Member will not suffice and will not garner any points.</i>  | PNCC disclosed the names of all the members of Audit Committee for 2022. The Audit Committee assumes the responsibilities of the Risk Management Committee.   | Y | <a href="http://www.pncc.ph/cg_board_committees.htm#attendance">http://www.pncc.ph/cg_board_committees.htm#attendance</a>  | Y | AUDIT COMMITTEE<br>Chairman: Lamberto B. Mercado, Jr.<br>Vice Chairman: vacant<br>Members: Mohammad Taha A. Guinomla, William T. Yu, Jonathan S. Avancena, Pedro B. Cabataingan Jr., Carlo Antonio B. Almirante<br>Ex Officio Member: PMO Representative<br><br><a href="http://www.pncc.ph/cg_board_committees.htm#Audit">http://www.pncc.ph/cg_board_committees.htm#Audit</a>   | 0.50 | 1 |
| III | 22   | If yes, is the report on Risk Management Committee publicly disclosed?   | Y | <i>The GOCC must publish an accomplishment report of the committee and/or minutes of the meetings held.</i>  | PNCC published the accomplishment report of the Audit Committee. The Audit Committee assumes the responsibilities of the Risk Management Committee.   | Y | <a href="http://www.pncc.ph/LINKS/PDFs/2022%20Audit%20Committee.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20Audit%20Committee.pdf</a>  | Y | AUDIT COMMITTEE ACCOMPLISHMENT FOR CY 2022 – Work Done and Issues Addressed<br><br><a href="http://www.pncc.ph/LINKS/PDFs/2022%20Accomplishment%20of%20Audit%20Committee.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20Accomplishment%20of%20Audit%20Committee.pdf</a>  | 1.50 | 1 |
| III | 23   | Does at least one member of the Risk Management Committee have a background in finance and investments?                        | Y | <i>The educational qualifications and/or work experience of the Risk Management Committee Members should be disclosed. At least one of the Risk Management Committee Members must have an investment and finance educational or work background in order to garner points for this item.</i> | The educational qualifications and work experience of the members of the Audit Committee has been disclosed in the website. Two (2) members of the Audit Committee have an audit, accounting and finance educational and work background. | Y | <a href="http://www.pncc.ph/home_our_company_BOD_2017to2022.htm#Guinomla">http://www.pncc.ph/home_our_company_BOD_2017to2022.htm#Guinomla</a><br><br><a href="http://www.pncc.ph/home_our_company_BOD.htm#Mercado">http://www.pncc.ph/home_our_company_BOD.htm#Mercado</a> | Y | <a href="http://www.pncc.ph/home_our_company_BOD_2017to2022.htm#Guinomla">http://www.pncc.ph/home_our_company_BOD_2017to2022.htm#Guinomla</a><br><br><a href="http://www.pncc.ph/home_our_company_BOD.htm#Mercado">http://www.pncc.ph/home_our_company_BOD.htm#Mercado</a>  | 1.50 | 1 |
| III | 24.a | Are the Board of Directors meetings scheduled at the beginning of the year? (end of Q1)  | Y | <i>The GOCC must explicitly disclose that the meetings held on the year being assessed were scheduled well in advance and when they were scheduled.</i>  | The Board disclosed that the meetings held on 2022 were scheduled well in advance.  | Y | <a href="http://www.pncc.ph/cg_seal.htm#Schedules">http://www.pncc.ph/cg_seal.htm#Schedules</a>  | Y | On December 16, 2013, on its regular meeting, the Board set a fixed schedule of its regular meetings on the third Monday of every month.<br><br><a href="http://www.pncc.ph/cg_seal.htm#Schedules">http://www.pncc.ph/cg_seal.htm#Schedules</a>   | 1.50 | 1 |
| III | 24.b | Does the Board of Directors meet at least monthly?   | Y | <i>The GOCC must show its attendance records that there were monthly meeting held.</i>   | PNCC disclosed in its website the attendance records of the meetings of the Board.  | Y | <a href="http://www.pncc.ph/LINKS/PDFs/2022%20Attendance%20of%20Directors.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20Attendance%20of%20Directors.pdf</a>  | Y | <a href="http://www.pncc.ph/cg_seal.htm#Schedules">http://www.pncc.ph/cg_seal.htm#Schedules</a><br><br><a href="http://www.pncc.ph/LINKS/PDFs/2022%20Attendance%20of%20Directors.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20Attendance%20of%20Directors.pdf</a>  | 1.50 | 1 |
| III | 24.c | Did the Board of Directors meet on at least 75% on their scheduled meetings?   | Y | <i>In order to garner points for this item, the GOCC must be able to first prove that meetings were scheduled in advance (Q. 24.a.) After which, a schedule of actual meetings held must be shown to prove that the Board met on at least 75% of their scheduled meetings.</i>               | The Board in its meeting dated December 16, 2013, set fixed schedule of its regular meetings on the third Monday of every month.  | Y | <a href="http://www.pncc.ph/cg_seal.htm#Schedules">http://www.pncc.ph/cg_seal.htm#Schedules</a>  | N | On December 16, 2013, on its regular meeting, the Board set a fixed schedule of its regular meetings on the third Monday of every month.<br><br><a href="http://www.pncc.ph/cg_seal.htm#Sched">http://www.pncc.ph/cg_seal.htm#Sched</a><br><br>NONE (0/12) of the regular meetings were held on the 3rd Monday of the month as as scheduled. 5/12 of the regular meetings were held 2-3 days later of the scheduled 3rd Monday of the month | 0.00 | 0 |
| III | 24.d | Has each of the directors/commissioners attended at least 90% of all the board meetings held during the year?                  | Y | <i>All of the attendance of Appointive and Ex Officio/Alternate Directors must be considered and all of them should have attended at least 90% of the board meetings held during the year in order to garner points for this item.</i>   | The average attendance for CY 2022 is 99.39% .  | Y | <a href="http://www.pncc.ph/LINKS/PDFs/2022%20Attendance%20of%20Directors.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20Attendance%20of%20Directors.pdf</a>  | Y | All Directors attended at least 90% of all meetings held for CY 2022<br><br><a href="http://www.pncc.ph/LINKS/PDFs/2022%20Attendance%20of%20Directors.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20Attendance%20of%20Directors.pdf</a>   | 1.50 | 1 |
| III | 24.e | Did the Board of Directors meet separately at least once during the year without the President/CEO present?                    | Y | <i>The GOCC must explicitly state a meeting held on a specific date wherein the Board met without the President/CEO present.</i>   | The Board did not meet separately without the President and CEO.  | N |  | N |   | 0.00 | 0 |

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|-----|------|---|---|---|--|---|---|---|--|------|---|
| III | 25.a | Does the GOCC have a policy that stipulates board papers for Board of Directors/Commissioners meetings be provided to the Board at least three (3) working days in advance of the board meeting?                            | Y | <i>The GOCC must clearly disclose that the Board was provided with the board papers for the upcoming meeting at least 3 working days in advance of the said meeting.</i>  | In the company website, it was disclosed that the Board was provided with the board papers for the upcoming meeting at least 5 working days in advance of the said meeting.  | Y | <a href="http://www.pncc.ph/cg_seal.htm#Access">http://www.pncc.ph/cg_seal.htm#Access</a>   | Y | At least five (5) calendar days before the actual meeting, the board papers are provided to the Board Members through electronic mail and hardcopy. Board papers consist of complete and adequate information about matters to be taken in the board meeting. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.<br><br><a href="http://www.pncc.ph/cg_seal.htm#Access">http://www.pncc.ph/cg_seal.htm#Access</a> | 1.00 | 1 |
| III | 25.b | Is the Board Secretary trained in legal, accountancy or company secretarial practices?  | Y | <i>The GOCC should disclose the educational and work background of the Corporate Secretary. In order to garner points for this item, there should be proof that the Corporate Secretary has legal, accountancy or secretarial educational/work background.</i>  | The Corporate Secretary has legal work background as disclosed in his resume.  | Y | <a href="http://www.pncc.ph/LINKS/PDFs/2017%2011November%202023%20Appointment%20of%20Mr.%20Mariano%20Jesus%20Averia.pdf">http://www.pncc.ph/LINKS/PDFs/2017%2011November%202023%20Appointment%20of%20Mr.%20Mariano%20Jesus%20Averia.pdf</a>         | Y | <a href="http://www.pncc.ph/LINKS/PDFs/2017%2011November%202023%20Appointment%20of%20Mr.%20Mariano%20Jesus%20Averia.pdf">http://www.pncc.ph/LINKS/PDFs/2017%2011November%202023%20Appointment%20of%20Mr.%20Mariano%20Jesus%20Averia.pdf</a>  | 1.00 | 1 |
| III | 26.a | Does the company have a separate internal audit function?   | Y | <i>There should be a clear showing that there is a separate internal audit function in the GOCC, whether it be a singular internal auditor, an entire internal audit department or an external firm. If it is a secondary function of an existing staff or department, the GOCC will not garner points for this item.</i>           | The audit of financial aspect is being undertaken by statutory auditor Commission on Audit. Resident auditors of PNCC is headed by Mr. Ariel Caraele.<br><br>The audit of operation processes is undertaken by appointed Internal Quality Auditors lead by Ms. Crisy Mediavillo. | Y | <a href="http://www.pncc.ph/LINKS/PDFs/Appointment%20of%20IOQA%201.pdf">http://www.pncc.ph/LINKS/PDFs/Appointment%20of%20IOQA%201.pdf</a>   | N | a secondary function of an existing staff or department<br><br>MEMORANDUM: Appointment of Internal Quality Auditors<br>"Everyone is enjoined to support the above-named employees in their additional responsibilities"<br><br><a href="http://www.pncc.ph/LINKS/PDFs/Appointment%20of%20IOQA%201.pdf">http://www.pncc.ph/LINKS/PDFs/Appointment%20of%20IOQA%201.pdf</a>   | 0.00 | 0 |
| III | 26.b | Does the appointment and removal of the internal auditor require the recommendation of the Audit Committee?   | Y | <i>The GOCC should explicitly state that the appointment and removal of the internal auditor require the approval of the Audit Committee. Should the charter of the GOCC provide for another mode of appointment/removal of the internal auditor, this should also be stated in order for the assessors to consider such issue.</i> | The appointment and removal of the internal auditor requires the recommendation of the Audit Committee as stated in their charter.   | Y | <a href="http://www.pncc.ph/LINKS/PDFs/Audit%20Committee%20Charter.pdf">http://www.pncc.ph/LINKS/PDFs/Audit%20Committee%20Charter.pdf</a>   | Y | The appointment and/or removal of the Internal Auditor require the approval of the Audit Committee.<br><br>Internal Audit<br>Approve decisions regarding the appointment and removal of the Chief Audit Executive. Ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the Chief Audit Executive.  | 1.50 | 1 |
| III | 27.a | Does the company disclose the internal control procedures/risk management systems it has in place?  | Y | <i>The GOCC must name all the key internal control procedures and its risk management system. There should also be an assignment of responsibilities in order to garner points for this item.</i>   | PNCC discloses its key internal control procedures and its risk management system.   | Y | <a href="http://www.pncc.ph/cg_erm.htm">http://www.pncc.ph/cg_erm.htm</a>   | Y | <a href="http://www.pncc.ph/cg_erm.htm">http://www.pncc.ph/cg_erm.htm</a>  | 1.00 | 1 |
| III | 27.b | Does the Annual Report disclose that the board of directors/commissioners has conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems? | Y | <i>The GOCC's annual report must explicitly state that the Board conducted a review of the company's risk management system and material controls during the year being assessed.</i>   | The annual report explicitly stated that the Board conducted a review of the company's risk management system and material controls for CY 2022.   | Y | <a href="http://www.pncc.ph/LINKS/PDFs/2022%20Risks.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20Risks.pdf</a>   | Y | Note: this is however not found in the 2022 Annual Report<br><br><a href="http://www.pncc.ph/LINKS/PDFs/2022%20Risks.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20Risks.pdf</a>   | 1.00 | 1 |
| III | 27.c | Does the company disclose how key risks are managed?  | Y | <i>The GOCC must disclose all of its key risks (operational, compliance and financial) and how they are being managed. Merely disclosing a list of risks will not garner any points.</i>  | PNCC discloses its key risks and how they are being managed.   | Y | <a href="http://www.pncc.ph/LINKS/PDFs/2022%20Risks.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20Risks.pdf</a>   | Y | Note: this is however not found in the 2022 Annual Report<br><br><a href="http://www.pncc.ph/LINKS/PDFs/2022%20Risks.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20Risks.pdf</a>   | 1.00 | 1 |
| III | 27.d | Does the Annual Report contain a statement from the Board of Directors or Audit Committee commenting on the adequacy of the GOCC's internal controls/risk management systems?   | Y | <i>The GOCC's Board or Audit Committee must explicitly state that the GOCC's risk management systems and internal controls are adequate</i>   | The PNCC Board reviewed and approved the policies for managing all identified risks as construed that they assessed it adequate.   | Y | <a href="http://www.pncc.ph/LINKS/PDFs/2022%20Risks.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20Risks.pdf</a>   | Y | The Board established an internal control audit system that can reasonably assure the Board, Management and stockholders that the company's key organizational and operational controls are faithfully complied with, effective and adequate.<br><br><a href="http://www.pncc.ph/cg_erm.htm">http://www.pncc.ph/cg_erm.htm</a>   | 1.00 | 1 |
| III | 28   | Do different persons assume the roles of Chairman and CEO?  | Y | <i>The GOCC's PCEO and Chairman during the year being assessed must be clearly identified in the website. An NA rating will be given should the GOCC's charter provide that the Chairman and PCEO positions must be held by a single person.</i>  | PNCC's PCEO and Chairman during the year being assessed was clearly identified in the website  | Y | <a href="http://www.pncc.ph/home_our_company_BOD.htm">http://www.pncc.ph/home_our_company_BOD.htm</a>   | Y | Chairman: HERCULANO C. CO, JR.<br>President and CEO: MIGUEL E. UMALI<br><br><a href="http://www.pncc.ph/home_our_company_BOD.htm">http://www.pncc.ph/home_our_company_BOD.htm</a>  | 1.00 | 1 |
| III | 29.a | Does the GOCC have orientation programs for new Directors?  | Y | <i>The GOCC must not only state that it has an orientation programs for Directors. Details and/or coverage of the orientation program must be disclosed in order to garner points for this item.</i>  | PNCC has an orientation program for new Directors. Coverage of the orientation program includes Company Background, PNCC's Corporate Governance Code, Financial Highlights, Board Committee Charters   | Y | <a href="http://www.pncc.ph/LINKS/PDFs/AMENDED%20REVISED%20MANUAL%20ON%20CORPORATE%20GOVERNANCE%20ANNUAL%202017.pdf#page=10">http://www.pncc.ph/LINKS/PDFs/AMENDED%20REVISED%20MANUAL%20ON%20CORPORATE%20GOVERNANCE%20ANNUAL%202017.pdf#page=10</a> | Y | Section 5.1.c. The company shall provide in its Board Charter a policy on the training of directors, including an orientation program for first-time directors and relevant annual continuing training for all directors.<br><br><a href="http://www.pncc.ph/LINKS/PDFs/AMENDED%20REVISED%20MANUAL%20ON%20CORPORATE%20GOVERNANCE%20ANNUAL%202017.pdf#page=10">http://www.pncc.ph/LINKS/PDFs/AMENDED%20REVISED%20MANUAL%20ON%20CORPORATE%20GOVERNANCE%20ANNUAL%202017.pdf#page=10</a>                                     | 1.50 | 1 |
| III | 29.b | Does the GOCC have a policy that encourages Directors/Commissioners to attend on-going or continuous professional education programs?   | Y | <i>Apart from stating the GOCC's training policy and continuous education programs for its Directors, the GOCC may also state that it has a training budget allocated for the Directors on the year being assessed.</i>   | In view of COVID Pandemic, all trainings of the Board are suspended, no budget was allocated for it.   | N |   | N |  | 0.00 | 0 |
| III | 29.c | Did all Appointive Directors attend at least 1 training for the calendar year?  | Y | <i>The GOCC must disclose that each Appointive Director attended at least one (1) training during the year being assessed. If there is an Appointive Director who did not attend at least one (1) training the GOCC will not garner points for this item.</i>   | In view of COVID Pandemic, all trainings of the Board are suspended, no budget was allocated for it.   | N |   | N |  | 0.00 | 0 |
| III | 30.a | Is an annual performance assessment conducted of the Board of Directors?  | Y | <i>The GOCC should conduct its own Board Appraisal which is different from GCG's internet-Based Performance Evaluation for Directors (IPED). It must be readily apparent when the said Board Appraisal was conducted in order to garner points for this item.</i>   | Aside from GCG's internet-based Performance Evaluation for Directors (IPED), no other appraisal was done.  | N |   | N |  | 0.00 | 0 |
| III | 30.b | Does the GOCC disclose the process followed in conducting the Board assessment?   | Y | <i>The GOCC must disclose the entire process involved in undertaking the Board Appraisal.</i>   | Aside from GCG's internet-based Performance Evaluation for Directors (IPED), no other appraisal was done.  | N |   | N |  | 0.00 | 0 |

|                    |      |   |   |   |  |   |  |   |  |              |           |
|--------------------|------|---|---|---|--|---|--|---|--|--------------|-----------|
| III                | 30.c | Does the GOCC disclose the criteria used in the Board assessment?                   | Y | <i>The GOCC should clearly state all the criteria that the Board Members used in their Board Appraisal.</i>   | <i>Aside from GCG's internet-based Performance Evaluation for Directors (IPED), no other appraisal was done.</i> | N |  | N |  | 0.00         | 0         |
| III                | 31   | Is an annual performance assessment conducted of the Board of Directors Committees? | Y | <i>The GOCC should conduct an Appraisal of its Committees' performance during the year being assessed. It must be readily apparent when the said Committee Appraisal was conducted in order to garner points for this item.</i> | <i>Aside from GCG's internet-based Performance Evaluation for Directors (IPED), no other appraisal was done.</i> | N |  | N |  | 0.00         | 0         |
| <b>Total Score</b> |      |   |   |   |  |   |  |   |  | <b>31.50</b> | <b>26</b> |

## CORPORATE GOVERNANCE SCORECARD REPORT B

Name of GOCC: Philippine National Construction Corporation  
Sector: Utilities and Communications  
Date submitted: 27-Sep-23  
Year being assessed: 2022

| COMPONENT                              |      |  |     |  | GOCC SUBMISSION   |     |  | GCG VALIDATION |  |             | Score    | Applied Items |
|--|------|--|-----|--|---|-----|--|----------------|--|-------------|----------|---------------|
| GRP                                    | ITEM | QUESTION   | ANS | GUIDE  | COMPLIANCE  | ANS | REFERENCE LINK/SUPPORTING DOCUMENTS  | ANS            | REMARKS  |             |          |               |
| <b>II. Disclosure and Transparency</b> |      |  |     |  |   |     |  |                |  |             |          |               |
| II                                     | 8    | Are the annual reports downloadable from the GOCC's website?   | Y   | Annual reports/Financial statements on the year being assessed must be downloadable from the GOCC's website.   | The PNCC's Audited Financial Statements for 2022 was uploaded to the company's website on 6 July 2023   | Y   | <a href="http://www.pncc.ph/LINKS/PDFs/2022%20AFS.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20AFS.pdf</a>  | Y              | <a href="https://www.pncc.ph/LINKS/PDFs/2022%20Annual%20Report.pdf">https://www.pncc.ph/LINKS/PDFs/2022%20Annual%20Report.pdf</a>  | 2.00        | 1        |               |
| II                                     | 10.a | Are the audited annual financial report/statement uploaded on the website within 60 days upon receipt from COA?  | Y   | The GOCC must explicitly state the 1.) date of receipt of the AFS from COA and 2.) the date when the AFS was released/published online.<br><br>An N/A rating will be given for this item if the COA-audited financial report is not yet available or not yet transmitted to the GOCC, provided that the evidence/ proof of their financial reports have already been submitted for audit and that they disclose their unaudited financial reports instead. | The PNCC's Audited Financial Statements for 2022 was 1) received from COA on June 8, 2023 and uploaded to the company's website on July 6, 2023.  | Y   | <a href="http://www.pncc.ph/transparency.htm#FOM">http://www.pncc.ph/transparency.htm#FOM</a>  | Y              | 28 days<br><br>Date AFS Received: 8 June 2023<br>Date Published: 6 July 2023<br><br><a href="https://www.pncc.ph/transparency.htm">https://www.pncc.ph/transparency.htm</a><br><br><a href="https://www.pncc.ph/LINKS/PDFs/2022%20AFS.pdf">https://www.pncc.ph/LINKS/PDFs/2022%20AFS.pdf</a> | 2.50        | 1        |               |
| II                                     | 10.b | Is the annual report released within 90 days from release of audited financial report?   | Y   | The GOCC must explicitly state the 1.) date of receipt of the AFS from COA and 2.) the date when the Annual Report was released/published online   | The PNCC's Audited Financial Statements for 2022 was 1) received from COA on June 8, 2023 and uploaded to the company's website on July 6, 2023. 2) the annual report was published online on September 27, 2023. | Y   | <a href="http://www.pncc.ph/LINKS/PDFs/2022%20AFS.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20AFS.pdf</a><br><br><a href="http://www.pncc.ph/LINKS/PDFs/2022%20Annual%20Report.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20Annual%20Report.pdf</a> | N              | No upload date of CY 2022 Annual Report found in website   | 0.00        | 0        |               |
| II                                     | 10.c | Is the true and fairness/fair representation of the annual financial statement/reports affirmed by the board of directors/commissioners and/or the relevant officers of the company? | Y   | There should be a statement online made by the Directors and/or relevant officers confirming the truth/veracity and fairness of the GOCC's financial statements.   | The Management and Board attested the true and fair representation of The Audited Financial Statements for CY 2022 through it Statement of Management Responsibility.   | Y   | <a href="http://www.pncc.ph/LINKS/PDFs/2022%20Management%20Responsibility.pdf">http://www.pncc.ph/LINKS/PDFs/2022%20Management%20Responsibility.pdf</a>  | Y              | <a href="https://www.pncc.ph/LINKS/PDFs/2022%20Management%20Responsibility.pdf">https://www.pncc.ph/LINKS/PDFs/2022%20Management%20Responsibility.pdf</a>  | 2.50        | 1        |               |
| <b>Total Score</b>                     |      |  |     |  |   |     |  |                |  | <b>7.00</b> | <b>3</b> |               |

| COMPONENT                                 |      |                                      |     |   | GOCC SUBMISSION  |     |   | GCG VALIDATION |         |             | Score    | Applied Items |
|---|------|--------------------------------------|-----|---|--|-----|---|----------------|---------|-------------|----------|---------------|
| GRP                                       | ITEM | QUESTION                             | ANS | GUIDE   | COMPLIANCE   | ANS | REFERENCE LINK/SUPPORTING DOCUMENTS   | ANS            | REMARKS |             |          |               |
| <b>III. Responsibilities of the Board</b> |      |                                      |     |   |  |     |   |                |         |             |          |               |
| III                                       | 12   | Did the GOCC achieve 90% in the PES? | Y   | The GOCC must publish the GCG-validated performance scorecard on the year being assessed. | The GCG validation for PNCC's performance scorecard for 2021 is uploaded in the company website.<br><br>The GCG validation for PNCC's performance scorecard for 2022 is still ongoing. | Y   | <a href="http://www.pncc.ph/LINKS/PDFs/2021%20PES%20Validation%20Result.pdf">http://www.pncc.ph/LINKS/PDFs/2021%20PES%20Validation%20Result.pdf</a> | N              | 59.99%  | 0.00        | 0        |               |
| <b>Total Score</b>                        |      |                                      |     |   |  |     |   |                |         | <b>0.00</b> | <b>0</b> |               |

| COMPONENT          |      |  |     |  | GOCC SUBMISSION  |     |   | GCG VALIDATION |  |             | Score    | Applied Items |
|--------------------|------|--|-----|--|--|-----|---|----------------|--|-------------|----------|---------------|
| GRP                | ITEM | QUESTION   | ANS | GUIDE  | COMPLIANCE   | ANS | REFERENCE LINK/SUPPORTING DOCUMENTS   | ANS            | REMARKS  |             |          |               |
| <b>IV. Bonus</b>   |      |  |     |  |  |     |   |                |  |             |          |               |
| IV                 | 1    | Does the GOCC practice Global Reporting Index (GRI) on its annual reports? | Y   | The GOCC must publicly disclose that it has adopted integrated reporting based on the GRI framework for its disclosures. | PNCC adopted integrated reporting based on the GRI framework for its disclosures. As part of the Annual Report, the Securities and Exchange Commission required the company to include in its annual report the Sustainability Report which patterned from the GRI | Y   | <a href="http://www.pncc.ph/LINKS/PDFs/2022%20Sustainability%20Reporting%20(GRI).pdf">http://www.pncc.ph/LINKS/PDFs/2022%20Sustainability%20Reporting%20(GRI).pdf</a> | Y              | <a href="https://www.pncc.ph/LINKS/PDFs/2022%20Annual%20Report.pdf#page=67">https://www.pncc.ph/LINKS/PDFs/2022%20Annual%20Report.pdf#page=67</a>  | 2.00        | 1        |               |
| IV                 | 2    | Timely release of annual financial report                                  | Y   | The GOCC must explicitly state the date when the AFS was released from COA and when it was published.                    | The PNCC's Audited Financial Statements for 2022 was 1) received from COA on June 8, 2023 and uploaded to the company's website on July 6, 2023.   | Y   | <a href="http://www.pncc.ph/transparency.htm#FOM">http://www.pncc.ph/transparency.htm#FOM</a>   | Y              | 28 days<br><br>Date AFS Received: 8 June 2023<br>Date Published: 6 July 2023<br><br><a href="https://www.pncc.ph/transparency.htm">https://www.pncc.ph/transparency.htm</a><br><br><a href="https://www.pncc.ph/LINKS/PDFs/2022%20AFS.pdf">https://www.pncc.ph/LINKS/PDFs/2022%20AFS.pdf</a> | 2.00        | 1        |               |
| <b>Total Score</b> |      |  |     |  |  |     |   |                |  | <b>4.00</b> | <b>2</b> |               |

|                   |  |  |  |  |  |  |  |  |  |  |  |
|-------------------|--|--|--|--|--|--|--|--|--|--|--|
| <b>V. Penalty</b> |  |  |  |  |  |  |  |  |  |  |  |
|-------------------|--|--|--|--|--|--|--|--|--|--|--|

|                    |   |                               |  |   |   |   |   |  |     |   |             |          |
|--------------------|---|-------------------------------|--|---|---|---|---|--|-----|---|-------------|----------|
| V                  | 1 | Responsibilities of the Board | Are there members of the Board of Directors who hold more than five (5) positions in GOCCs and PLCs? | N | The GOCC must name all the directorships of their Appointive Directors to other GOCCs and PLCs. Should the Director have more than 5 positions in other GOCCs and PLCs, the GOCC will be marked N on this item. | The company's website stated all the directorship of the appointive Directors to other GOCCs and PLCs.  | Y | <a href="http://www.pncc.ph/home_our_company_BOD.htm#Profile">http://www.pncc.ph/home_our_company_BOD.htm#Profile</a><br><br><a href="http://www.pncc.ph/LINKS/PDFs/Directorship%20in%20other%20GOCCs%20and%20PLCs.pdf">http://www.pncc.ph/LINKS/PDFs/Directorship%20in%20other%20GOCCs%20and%20PLCs.pdf</a> | N   | No Director has more than 5 positions in other GOCCs and PLCs | 0.00        | 0        |
| V                  | 2 | Responsibilities of the Board | Is there non-compliance with Good Governance Conditions?   | N | The GOCC must disclose the results of GCG's evaluation of its good governance conditions. Should the GOCC fail to comply with two or more conditions, it will be marked N on this item.                         | The evaluation of its good governance conditions for CY 2021 is uploaded in the company's website.<br><br>The evaluation of its good governance conditions for CY 2022 is still on-going. | Y | <a href="http://www.pncc.ph/LINKS/PDFs/2021%20PNCC%20CGS%20Assessment.pdf">http://www.pncc.ph/LINKS/PDFs/2021%20PNCC%20CGS%20Assessment.pdf</a>  | N/A |   | 0.00        | 0        |
| <b>Total Score</b> |   |                               |  |   |   |   |   |  |     |   | <b>0.00</b> | <b>0</b> |



**Philippine National Construction Corporation**

|     | <b>CORPORATE GOVERNANCE SCORECARD</b> | <b>No. of Applied Items</b> | <b>SCORE</b> | <b>WEIGHT</b>  |
|-----|---------------------------------------|-----------------------------|--------------|----------------|
| I   | Stakeholder Relationships (15%)       | 14                          | 15.00        | 15.00%         |
| II  | Disclosure and Transparency (35%)     | 8                           | 27.00        | 35.00%         |
| III | Responsibilities of the Board (50%)   | 26                          | 31.50        | 50.00%         |
|     | Bonus                                 | 2                           | 4.00         |                |
|     | Penalty                               | 0                           | 0.00         |                |
|     |                                       | <b>50</b>                   | <b>77.50</b> | <b>100.00%</b> |

| <b>Items rated N/A</b> | <b>Total points of N/A items</b> |
|------------------------|----------------------------------|
|                        |                                  |

|                                    |                      |
|------------------------------------|----------------------|
| <b>Final CGS Score</b>             | <b>77.50</b>         |
| <b>Final CGS Rating Equivalent</b> | <b>Above Average</b> |