SECURITIES AND EXCHANGE COMMISSION

SEC FORM - I - ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

| 1. | For the fiscal year ended | <u>2020</u> | | |
|----|--|-------------------|---------------------|---------------------------------|
| 2. | SEC Identification Number | 40938 | | |
| 3. | BIR Tax Identification No. | 000-169-117-0 | 00 | |
| 4. | Exact name of issuer as specifie | ed in its charter | United Paragor | n Mining Corporation. |
| 5. | Philippines Province, Country or other juris Incorporation or organization | sdiction of | 6. Industry Classif | (SEC Use Only) ication Code: |
| 7. | Quad Alpha Centrum, 125 Pion Address of principal office | eer Street, Mand | daluyong City | 1550 Postal Code |
| 8. | (632) 8631-5139 Issuer's telephone number, inc | luding area code | <u>:</u> | |
| 9. | N/A Former name, former address, | former fiscal yea | ar, if changed sin | ice last report |

| INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT | | | | |
|---|------------------------|-------------|--|--|
| COMPLIANT / NON - | ADDITIONAL INFORMATION | EXPLANATION | | |
| COMPLIANT | | | | |

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.

| Recom | mendation 1.1 | | | |
|-------|---|-----------|---|--|
| 1. | Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector | Compliant | Please see the Corporation's Annual Report and Definitive Information Statement for the year 2020. https://unitedparagon.com/secdisc/sec17a/2020annual.pdf https://unitedparagon.com/secdisc/secis/2 | |
| 2. | Board has an appropriate mix of competence and expertise. | Compliant | O20dis.pdf The Board represents a diverse background of professionals equipped with the necessary competencies to properly discharge his/her duties judiciously and exercise independent judgment on various matters requiring Board ratification. | |
| 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 see the Corporation's Annual Report and Definitive Information Statement for the year 2020. https://unitedparagon.com/secdisc/sec17a/2020annual.pdf https://unitedparagon.com/secdisc/secis/2020dis.pdf | |

| Recom | mendation 1.2 | | | |
|-------|--|-----------|--|--|
| | Board is composed of a majority of non-executive directors | Compliant | Please see the Corporation's Annual Report and Definitive Information Statement for the year 2020. https://unitedparagon.com/secdisc/sec17a/2020annual.pdf https://unitedparagon.com/secdisc/secis/2020dis.pdf | |
| Recom | mendation 1.3 | | | |
| 1. | Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors | Compliant | Please see the Corporation's website. https://www.unitedparagon.com/index.ht ml | |
| 2. | Company has an orientation program for first time directors | Compliant | Please see the Corporation's Amended Manual on Corporate Governance as adopted by the Board on May 2017. http://unitedparagon.com/wp- content/uploads/2017/06/UPM-Amended- Corporate-Governance-Manual- May312017.pdf | |
| 3. | Company has relevant annual continuing training for all directors | Compliant | All Officers and Directors of the company are required to attend the Annual Corporate Governance Seminar. The certificates of attendance and trainings are uploaded in the corporation's website. | |

| | | https://unitedparagon.com/secdisc/sec17c /2020 1127 sec17c certification cg atten dance 2020.pdf | | | |
|---|-----------|---|--|--|--|
| Recommendation 1.4 | | | | | |
| Board has a policy on board diversity | Compliant | The Board implements a process of selection to ensure a mix of competent Directors and Officers and adopt a policy on Board diversity, as to age, ethnicity, culture, skills, competence, and knowledge. Out of the nine (9) members of the Board of Directors, two (2) are female Directors, namely: Presentacion S. Ramos & Mrs. Maureen Alexandra S. Ramos-Padilla. Please see the Corporation's Amended Manual on Corporate Governance as adopted by the Board on May 2017. http://unitedparagon.com/wp-content/uploads/2017/06/UPM-Amended-Corporate-Governance-Manual-May312017.pdf | | | |
| Optional: Recommendation 1.4 | | | | | |
| Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in | Compliant | Please see the Corporation's Amended Manual on Corporate Governance as adopted by the Board on May 2017. | | | |

| | achieving its objectives. | | http://unitedparagon.com/wp- content/uploads/2017/06/UPM-Amended- Corporate-Governance-Manual- May312017.pdf | |
|-------|---|---------------|--|--|
| Recom | mendation 1.5 | | | |
| 1. | Board is assisted by a Corporate Secretary. | Compliant | The board has appointed and assisted by its Corporate Secretary, Atty. Iris Marie U. Carpio-Duque | |
| | | | Please see the Corporation's Annual Report and Definitive Information Statement for the year 2020 and General Information Sheet (GIS) 2020. | |
| | | | https://unitedparagon.com/secdisc/sec17a/2020annual.pdf | |
| | | | https://unitedparagon.com/secdisc/secis/2 020dis.pdf | |
| | | | https://unitedparagon.com/secdisc/gis/202 Ogis amended.pdf | |
| 2. | Corporate Secretary is a separate individual from the Compliance Officer. | Non-Compliant | | The company has assigned an Assistant Corporate Secretary to assist the board and Corp. Secretary on his/her duties. |
| 3. | Corporate Secretary is not a member of the Board of Directors | Compliant | Please see the Corporation's Annual Report and Definitive Information Statement for the year 2020. | |

| | | https://unitedparagon.com/secdisc/sec17a/2020annual.pdf | |
|--|-----------|---|--|
| | | https://unitedparagon.com/secdisc/secis/2 020dis.pdf | |
| Corporate Secretary attends training/s on corporate governance | Compliant | The Corporate Secretary is required to attend the annual corporate governance seminar. | |
| | | Please see the Corporation's Amended Manual on Corporate Governance as adopted by the Board on May 2017, the Corporation's Annual Corporate Governance Report for 2016 and Corporation's Definitive Information Statement of 2020 | |
| | | https://unitedparagon.com/secdisc/secis/2 020dis.pdf | |
| | | http://unitedparagon.com/wp- content/uploads/2017/06/UPM-Amended- Corporate-Governance-Manual- May312017.pdf | |
| | | http://unitedparagon.com/wp- content/uploads/2017/06/UPM-SEC-Form- ACGR-2017-May302017.pdf | |
| | | https://www.unitedparagon.com/sec- filings.html | |

| Option | nal: Recommendation 1.5 | | | |
|--------|---|----------------|---|---|
| 1. | Corporate Secretary distributes materials for board meetings at least five (5) business days before scheduled meeting. | Compliant | | |
| Recom | mendation 1.6 | | | |
| 1. | Board is assisted by a Compliance Officer. | Compliant | The board has assigned Atty. Iris Marie Carpio-Duque as the Compliance Officer. Please see the Corporation's Annual Report and Definitive Information Statement for the year 2020. https://unitedparagon.com/secdisc/sec17a/2020annual.pdf https://unitedparagon.com/secdisc/secis/2020dis.pdf | |
| 2. | Compliance Officer has a rank of Senior Vice- President or an equivalent position with adequate stature and authority in the corporation | Non- Compliant | | Although the incumbent Compliance Officer does not have the rank of Senior Vice-President, she nevertheless directly reports to the Chairman &President of the company and is able to discharge her duties competently. |
| 3. | Compliance Officers is not a member of the board | Compliant | Please see the Corporation's Amended Manual on Corporate Governance as adopted by the Board on May 2017, the Corporation's Annual Corporate Governance Report for 2016 and | |

| | | Corporation's Definitive Information | | |
|---|-----------|---|--|--|
| | | Statement of 2020 | | |
| | | https://unitedparagon.com/secdisc/secis/2 020dis.pdf | | |
| | | http://unitedparagon.com/wp- content/uploads/2017/06/UPM-Amended- Corporate-Governance-Manual- May312017.pdf | | |
| | | http://unitedparagon.com/wp- content/uploads/2017/06/UPM-SEC-Form- ACGR-2017-May302017.pdf | | |
| Compliance Officer attends training/s on corporate governance | Compliant | The Corporate Secretary is required to attend the annual corporate governance seminar. | https://www.unitedparagon.com/index.ht ml | |
| | | The certificates of attendance and trainings are uploaded in the corporation's website. | | |
| | | http://unitedparagon.com/company-disclosures/sec-filings/ | | |
| | | | | |
| 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 stockholders and other stakeholders. | | | | |
| Recommendation 2.1 | | , | | |
| Directors act on a fully | Compliant | Please see the Corporation's Amended | | |
| informed basis, in good faith, with due diligence and | | Manual on Corporate Governance as adopted by the Board on May 2017. | | |

| | care, and in the best interest of the company. | | http://unitedparagon.com/wp- content/uploads/2017/06/UPM-Amended- Corporate-Governance-Manual- May312017.pdf | |
|--------|--|-----------|---|--|
| Recom | mendation 2.2 | | | |
| 1. | Board oversees the development, review and approval of the company's business objectives and strategy. | Compliant | The board reviews and approves company business objectives and strategies during board meetings and monitors the implementation in order to sustain the company's viability and strengths. | |
| 2. | Board oversees and monitors the implementation of the company's business objectives and strategy | Compliant | http://unitedparagon.com/wp- content/uploads/2017/06/UPM-Amended- Corporate-Governance-Manual- May312017.pdf | |
| Supple | ement to Recommendation 2.2 | | | |
| 1. | Board has a clearly defined and updated vision, mission and core values | Compliant | Vision: We envision our company as a leading publicly-listed mining firm with a balanced portfolio of investments in natural resources, infrastructure and property development. Through these investments, we aim to contribute to the task of building the Filipino future. | |
| | | | Mission: We enable our stakeholders to participate in the growth and profit potentials of our chosen investment sectors, conscious as we | |

| | | are of our obligation to create and enhance shareholder value. We harness the wealth of the earth through responsible mining, thus converting the country's undeveloped natural resources into revenues that would fuel economic growth, always mindful of the concern for environmental protection and sustainable development. We support infrastructure and property development projects that would enhance the quality of life of the Filipino people, especially the masses. As a key player in the Philippine natural resources, United Paragon Mining Corporation is committed to strong and responsible nation-building. | |
|--|-----------|--|--|
| 2. Board has strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture. | Compliant | Please see the Corporation's Amended Manual on Corporate Governance. | |
| Recommendation 2.3 | | | |
| Board is headed by a competent and qualified | Compliant | The board is headed by Mr. Alfredo C. Ramos. Information on his qualification can | https://www.unitedparagon.com/index.html |

| Recom | Chairperson | | be found in the Corporation's Annual Corporate Governance Report for 2016 and Corporation's Definitive Information Statement of 2020 and the Annual Report of 2020 (SEC 17-A). http://unitedparagon.com/wp- content/uploads/2017/06/UPM-SEC-Form- ACGR-2017-May302017.pdf https://unitedparagon.com/secdisc/sec17a /2020annual.pdf https://unitedparagon.com/secdisc/secis/2 020dis.pdf | |
|-------|--|-----------|--|--|
| | Board ensures and adopts an effective succession planning program for directors, key officers and management | Compliant | Please see the Amended Manual on Corporation Governance as adopted on May 2017. http://unitedparagon.com/wp-content/uploads/2017/06/UPM-Amended-Corporate-Governance-Manual-May312017. | |
| 2. | Board adopts a policy on the retirement for directors and key officers. | Compliant | There is no retirement age policy for directors and key officers for as long as a director is capable of performing of his office and is able to promote the interest of the company, he may be re-elected for another term. | |

| | | | This is also consistent with the policy on | |
|--------|---|-----------|---|--|
| | | | maintaining diversity in the board. | |
| | mendation 2.5 | | , | |
| | Board aligns the remuneration of key officers and board members with long-term interests of the company | Compliant | Non-employee Directors do not receive compensation for their services as such. Directors only receive reasonable per diem for every meeting they participate in. Directors who are employees of the | |
| | Board adapts a policy specifying the relationship between remuneration and performance. | Compliant | Company or any of its subsidiaries shall receive no additional compensation for serving as Directors other than the reasonable per diem. | |
| 3. | Directors do not participate in discussions or deliberations involving his/her own remuneration. | Compliant | Please see the Definitive Information Statement and the Annual Report (SEC 17-A) for 2020. | |
| | | | https://unitedparagon.com/secdisc/sec17a/2020annual.pdf | |
| | | | https://unitedparagon.com/secdisc/secis/2 020dis.pdf | |
| Option | al Recommendation 2.5 | | | |
| 1. | Board approves the remuneration of senior executives. | | | |
| 2. | Company has measurable standards to align the performance-based remuneration of the | | | |

| Recom | executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses. mendation 2.6 | | | |
|-------|---|-----------|--|--|
| | Board has a formal and transparent nomination and election policy | Compliant | Please see the Corporation's by-laws and the Amended Manual on Corporate Governance. | |
| 2. | Board nomination and election policy is disclosed in the company's Manual on Corporate Governance. | Compliant | http://unitedparagon.com/wp- content/uploads/2017/06/UPM-Amended- Corporate-Governance-Manual- | |
| 3. | Board nomination and election policy includes how the company accepted nominations from minority shareholders. | Compliant | May312017.pdf | |

| directors that is aligned with | |
|---|--------------------------|
| the strategic direction of the | |
| company. | |
| Optional: Recommendation 2.6 | |
| Company uses professional | |
| search firms or other | |
| external sources of | |
| candidates (such as | |
| directors). | |
| Recommendation 2.7 | |
| 1. Board has overall Compliant Please see the Corp | oration's Amended |
| responsibility in ensuring Manual on Corpora | te Governance as |
| that there is a group-wide adopted by the Boa | rd on May 2017. |
| policy and system governing | |
| related party transactions All related party tr | ansactions are based on |
| (RPTs) and other unusual or prevailing market/ | commercial rates at the |
| infrequently occurring time of the transac | ion. |
| transactions. | |
| 2. Provide policy includes Compliant Where it is require | d under the Corporation |
| appropriate review and Code to submit | corporate matters to |
| approval of material RPTs, stockholders for ap | proval and such matters |
| which and approval of are Related Party 7 | ransactions, the related |
| material RPTs, which parties involved sh | ould inhibit themselves |
| guarantee fairness and from voting on the | matter. |
| transparency of the | |
| transactions. All related party tra | nsactions are fully |
| 3. RPT policy encompasses all Compliant disclosed and subje | cted to regular audit by |
| entities within the group, the external and in | ernal auditors. |
| taking into account their | |
| | rs are required to fully |
| and complexity of disclose their interes | ests and that of the |

| operations. | | other corporations they serve prior to determination of any matter under consideration. https://www.unitedparagon.com/corporat e-governance.html http://unitedparagon.com/wp-content/uploads/2017/06/UPM-Amended-Corporate-Governance-Manual-May312017.pdf | |
|---|-----------|---|--|
| 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 de minimis or transactions that need not be reported or announced, 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 | All Related Party Transaction are subject for approval of the board regardless of the amount involved and are fully disclosed in the Company's Financial Statements. Please see Amended Manual Corporate Governance – 2017 and Financial Statement of 2020 http://unitedparagon.com/wp-content/uploads/2017/06/UPM-Amended-Corporate-Governance-Manual-May312017.pdf https://unitedparagon.com/secdisc/sec17a/2020annual.pdf | |

| 2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings. | Compliant | Please see the Annual Corporate Governance of 2016 "Where it is required under the Corporation Code to submit corporate matters to stockholders for approval and such matters are Related Party Transactions, the related parties involved should inhibit themselves from voting on the matter." http://unitedparagon.com/wp-content/uploads/2017/06/UPM-SEC-Form-ACGR-2017-May302017.pdf | |
|--|-----------|---|--|
| 1. Board is primarily responsible 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 | The Management team is composed of Chief Executive Officer, Mr. Gerard Anton S. Ramos, Chief Compliance Officer, Atty. Iris Marie U. Carpio-Duque, Vice-President and Treasurer, Mr. Adrian Paulino S. Ramos, acts as the Chief Risk Officer and there is no Chief Audit Executive as the board deems it not necessary considering the Corporation's current size, risk profile and non-operation. Please see the company's Amended Manual on Corporate Governance | |

| 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 Compliances Officer and Chief Audit Executive). | Compliant | http://unitedparagon.com/wp-content/uploads/2017/06/UPM-Amended-Corporate-Governance-Manual-May312017.pdf Please see the Corporation's Amended Manual on Corporate Governance as adopted by the Board on May 2017, the Corporation's Annual Corporate Governance Report for 2016. http://unitedparagon.com/wp-content/uploads/2017/06/UPM-Amended-Corporate-Governance-Manual-May312017.pdf http://unitedparagon.com/wp-content/uploads/2017/06/UPM-SEC-Form-content/uploads/2017/06/UPM-SEC-Form- | |
|--|-----------|---|--|
| Recommendations 2.9 | | ACGR-2017-May302017.pdf | |
| 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 see the Corporation's Amended Manual on Corporate Governance as adopted by the Board on May 2017. http://unitedparagon.com/wp-content/uploads/2017/06/UPM-Amended-Corporate-Governance-Manual-May312017.pdf | |
| Board establishes an effective performance management framework | Compliant | | |

| | that ensures that personnel's performance is at par with the standards set by the Board and Senior Management | | | |
|-------|---|-----------|---|--|
| Recom | mendations 2.10 | | | |
| 1. | Board oversees that an appropriate internal control system is in place. | Compliant | Please see the Corporation's Amended Manual on Corporate Governance as adopted by the Board on May 2017. | |
| 2. | The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management members and shareholders. | Compliant | http://unitedparagon.com/wp- content/uploads/2017/06/UPM-Amended- Corporate-Governance-Manual- May312017.pdf | |
| 3. | Board approves the internal Audit Charter | Compliant | The Internal Audit charter is subject to approval by the board. | Currently there is no internal audit charter as the board deems it not necessary considering the Corporation's current size, risk profile and non-operation. |
| Recom | mendations 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 | Please see the Corporation's Amended Manual on Corporate Governance as adopted by the Board on May 2017, the Corporation's Annual Corporate Governance Report for 2016. https://www.unitedparagon.com/corporat | |
| 2. | The risk management framework guides the board in identifying units/business lines and enterprise-level | Compliant | e-governance.html http://unitedparagon.com/wp- content/uploads/2017/06/UPM-Amended- | |

| | risk exposures, as well as | | Corporate-Governance-Manual- | |
|---------|-------------------------------|-----------|---|--|
| | the effectiveness of risk | | May312017.pdf | |
| | management strategies. | | | |
| | mendations 2.12 | | | |
| 1. | Board has a Board Charter | | | |
| | that formalizes and clearly | Compliant | https://www.unitedparagon.com/corporat | |
| | states its roles, | | <u>e-governance.html</u> | |
| | responsibilities and | | | |
| | accountabilities in carrying | | | |
| | out its fiduciary role. | | | |
| _ | | | | |
| 2. | Board Charter serves as a | Compliant | | |
| | guide to the directors in the | | | |
| | performance of their | | | |
| | functions. | 0 1: . | | |
| 3. | Board Charter is publicly | Compliant | | |
| | available and posted on the | | | |
| | company's website | | | |
| Additio | onal Recommendation to Princi | iple 2 | | |
| | Board has a clear insider | Compliant | https://unitedparagon.com/cg/cp_insider_t | |
| | trading policy | · | rading.pdf | |
| Option | al 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. | | | |
| | | | | |

| 2. Company discloses the | | | |
|--|-----------------------|--|------------------------------------|
| types of decision requiring | | | |
| board of director's approval. | | | |
| | | | |
| with respect to audit, risk management remuneration. The composition, func Charter. | nt, related party tra | stent possible to support the effective performa ansactions, and other key corporate governance bilities of all committees established should be | e concerns, such as nomination and |
| Recommendation 3.1 | | | |
| Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities. | Compliant | Please see the Corporation's Amended Manual on Corporate Governance as adopted by the Board on May 2017 and Annual Corporate Governance Report 2016. http://unitedparagon.com/wp-content/uploads/2017/06/UPM-Amended-Corporate-Governance-Manual-May312017.pdf https://www.unitedparagon.com/corporate-governance.html | |
| Recommendation 3.2 | | | |
| Recommendation 3.2 Board establishes an Audit Committee to enhance its | Compliant | Please see the Corporation's Amended Manual on Corporate Governance as | |
| oversight capability over the | | adopted by the Board on May 2017 and the | |
| company's financial | | SEC 17-C on the result of the ASM 2020 and | |
| reporting, internal control | | ACGR 2016. | |
| system, internal and | | | |
| external audit processes, | | The Audit Committee has the responsibility | |
| and compliance with | | of recommending to the Board of Directors | |
| applicable laws and | | the appointment and/or removal of the | |

| regulations. | | Corporation's external auditor. http://unitedparagon.com/wp- content/uploads/2017/06/UPM-Amended- Corporate-Governance-Manual- May312017.pdf http://unitedparagon.com/wp- content/uploads/2017/06/UPM-SEC-Form- ACGR-2017-May302017.pdf https://unitedparagon.com/secdisc/sec17c /2020 0930 sec17c results of asm.pdf | |
|---|-----------|---|--|
| 2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom including the Chairman is independent. | Compliant | Mr. Renato C. Valencia is an Independent Director and the chairperson of the Audit Committee. Please see the Corporation's Definitive Information Statement, ACGR 2016 and the SEC 17-C on the result of the ASM 2020. https://unitedparagon.com/secdisc/secis/2020dis.pdf http://unitedparagon.com/wp-content/uploads/2017/06/UPM-SEC-Form-ACGR-2017-May302017.pdf https://unitedparagon.com/secdisc/sec17c/2020_0930_sec17c_results_of_asm.pdf https://www.unitedparagon.com/sec-filings.html | |

| 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 see the Corporation's Definitive Information Statement-2020 and ACGR 2016. https://unitedparagon.com/secdisc/secis/2020dis.pdf http://unitedparagon.com/wp-content/uploads/2017/06/UPM-SEC-Form-ACGR-2017-May302017.pdf | |
|--------|--|-----------|--|--|
| 4. | The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee | Compliant | Mr. Renato C. Valencia is an Independent Director and the chairperson of the Audit Committee. Please see Definitive IS 2020 and SEC 17-C Result of the ASM 2020. https://unitedparagon.com/secdisc/secis/2 020dis.pdf https://unitedparagon.com/secdisc/sec17c /2020 0930 sec17c results of asm.pdf | |
| Supple | ment to Recommendation 3.2 | | | |
| 1. | Audit Committee approves all non-audit services conducted by the external auditor. | Compliant | Please see the Corporation's Amended Manual on Corporate Governance as adopted by the Board on May 2017. http://unitedparagon.com/wp-content/uploads/2017/06/UPM-Amended-Corporate-Governance-Manual-May312017.pdf | |

| | Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present. | Compliant | Due to lack of operations, the Audit Committee meets once a year with the External Audit Team to discuss the audited financial statement. | |
|-------|--|---------------|--|--|
| • | al: Recommendation 3.2 | | | |
| 1. | Audit Committee meets at | | | |
| | least four times during the | | | |
| | year. | | | |
| 2. | Audit Committee approves | | | |
| | the appointment and | | | |
| | removal of the internal | | | |
| | auditor. | | | |
| Recom | mendation 3.3 | | | |
| 1. | Board establishes a | Compliant | Please see the Corporation's Amended | |
| | Corporate Governance | | Manual on Corporate Governance as | |
| | Committee tasked to assist | | adopted by the Board on May 2017 and | |
| | the Board in the | | SEC 17-C on the Result of the ASM 2020. | |
| | performance of its | | | |
| | corporate governance | | http://unitedparagon.com/wp- | |
| | responsibilities, including | | content/uploads/2017/06/UPM-Amended- | |
| | the functions that were | | Corporate-Governance-Manual- | |
| | formerly assigned to a | | May312017.pdf | |
| | Nomination and | | | |
| | Remuneration Committee. | | https://unitedparagon.com/secdisc/sec17c | |
| | | | /2020 0930 sec17c results of asm.pdf | |
| 2. | Corporate Governance | Non-Compliant | | The company has only two independent |
| | Committee is composed of | | | directors as provided in the by-laws and the |
| | at least three members, all | | | board deems not yet necessary to establish |
| | of whom should be | | | three independent directors. |
| | independent directors. | | | |

| Governa | an of the Corporate ance Committee is bendent director. | Compliant | Mr. John Peter Hager is the Chair of the Committee. Please see the Corporation's Definitive Information Statement and ACGR 2016. http://unitedparagon.com/wp-content/uploads/2017/06/UPM-SEC-Form-ACGR-2017-May302017.pdf https://unitedparagon.com/secdisc/secis/2020dis.pdf | |
|---|--|---------------|---|--|
| Optional: Recor | nmendation 3.3 | | | |
| • | te Governance tee meets at least e year. | Compliant | The Corporate Governance Committee meets at least twice a year to accept and screen nominations for election to the board. | |
| Recommendation | on 3.4 | | | |
| Board R Commit should b the over compan Manage | stablishes a separate isk Oversight tee (BROC) that oe responsible for rsight of a by's Enterprise Risk ement system to its functionality and eness. | Compliant | The Audit Committee discharges the functions of the BROC as part of the review of the company's financial statement. Please see the Corporation's Amended Manual on Corporate Governance as adopted by the Board on May 2017 http://unitedparagon.com/wp-content/uploads/2017/06/UPM-Amended-Corporate-Governance-Manual-May312017.pdf | |
| | composed of at ree members, the | Non-compliant | | The Audit Committee has five (5) members, two of whom are independent directors as |

| | majority of whom should be independent directors, including the Chairman. | | | provided in the by-laws and the board deems not yet necessary to establish three independent directors. |
|-------|---|-----------|--|---|
| 3. | The Chairman of the BROC is not the Chairman of the Board or of any other committee. | Compliant | Mr. Renato C. Valencia only Chairs the Audit Committee. Please see the SEC 17-C result of the ASM 2020. https://unitedparagon.com/secdisc/sec17c/2020_0930_sec17c_results_of_asm.pdf | |
| 4. | At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management. | Compliant | Please see the Definitive Information Statement 2020. https://unitedparagon.com/secdisc/secis/2 020dis.pdf | |
| Recom | mendation 3.5 | | | |
| 1. | Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all materials related party transactions of the company. | Compliant | The Audit Committee discharges the functions of the RPT as part of the review of the company's financial statement. Please see the Corporation's Amended Manual on Corporate Governance as adopted by the Board on May 2017 http://unitedparagon.com/wp-content/uploads/2017/06/UPM-Amended-Corporate-Governance-Manual-May312017.pdf | |
| 2. | RPT Committee is composed of at least three non-executive directors, two of | Compliant | Audit Committee is composed of at two Independent Directors. | |

| indeper Chairm | | | Please see SEC 17-C Result of ASM 2020 https://unitedparagon.com/secdisc/sec17c /2020 0930 sec17c results of asm.pdf | |
|---|--|-----------|---|--|
| Recommendati | on 3.6 | | | |
| have a c stating respect membe | blished committees Committee Charter in plain terms their ive purposes, erships, structures, | Compliant | https://www.unitedparagon.com/corporat e-governance.html The Audit Committee has an existing charter. | |
| process | ons, reporting , resources and elevant information. | | Please see the Corporation's Amended | |
| standar | ttee Charters provide ds for evaluating the nance of the ttees. | Compliant | Manual on Corporate Governance as adopted by the Board on May 2017 and the ACGR 2016. | |
| | | | http://unitedparagon.com/wp- content/uploads/2017/06/UPM-Amended- Corporate-Governance-Manual- May312017.pdf | |
| fully dis | ttee Charters were cclosed on the ny's website. | Compliant | https://www.unitedparagon.com/corporat e-governance.html | |
| - | uties and responsibiliti | • • | the directors should devote the time and attent cient time to be familiar with the corporation's b | |
| | ectors attend and participate in all | Compliant | Please see the Corporation's website on the Minutes of the Stockholders Meeting | |

| | meetings of the Board, | | and ACGR 2016. | |
|-------|-----------------------------|-----------|--|--|
| | Committees and | | | |
| | shareholders in person or | | http://unitedparagon.com/minutes-of- | |
| | through tele- | | general-special-stockholders-meetings/ | |
| | /videoconferencing | | | |
| | conducted in accordance | | http://unitedparagon.com/wp- | |
| | with the rules and | | content/uploads/2017/06/UPM-SEC-Form- | |
| | regulations of the | | ACGR-2017-May302017.pdf | |
| | Commission. | | | |
| 2. | The directors review | Compliant | Board Materials (including materials for | |
| | meeting materials for all | | presentation and approval) are distributed | |
| | Board and Committee | | to the Members of the board days before | |
| | meetings. | | the actual meeting. To give them ample | |
| | | | time to review the matters for discussion in | |
| | | | the meeting. | |
| 3. | The directors ask the | Compliant | Board members actively participate | |
| | necessary questions or seek | | during presentation of the management | |
| | clarifications and | | report and financial matters that may | |
| | explanations during the | | have a material impact on the | |
| | Board and Committee | | Company's financial position. | |
| | meetings. | | | |
| Recom | mendation 4.2 | | | |
| 1. | Non-executive directors | Compliant | Please see Amended Manual on Corporate | |
| | concurrently serve in a | | Governance as adopted by the Board on | |
| | maximum of five publicly- | | May 2017and Annual Report 2020 and | |
| | listed companies to ensure | | Definitive IS 2020. | |
| | that they have sufficient | | | |
| | time to fully prepare for | | http://unitedparagon.com/wp- | |
| | minutes, challenge | | content/uploads/2017/06/UPM-Amended- | |
| | Management's | | Corporate-Governance-Manual- | |
| | proposals/views, and | | May312017.pdf | |

| Pacam | oversee the long-term strategy of the company. | | https://unitedparagon.com/secdisc/sec17a/2020annual.pdf https://unitedparagon.com/secdisc/secis/2020dis.pdf | |
|--------|--|---------------|---|---|
| | The directors notify the | Compliant | As a matter of practice the directors notify | |
| | company's board before | Compilation | the company's board before accepting a | |
| | accepting a directorship in | | directorship in another company. | |
| | another company. | | . , | |
| Option | al: 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 see Amended Manual on Corporate Governance as adopted by the Board on May 2017and Annual Report 2020 and Definitive IS 2020. http://unitedparagon.com/wp- content/uploads/2017/06/UPM-Amended- Corporate-Governance-Manual- May312017.pdf https://unitedparagon.com/secdisc/sec17a /2020annual.pdf https://unitedparagon.com/secdisc/secis/2 020dis.pdf | |
| 2. | Company schedules board of directors' meetings before the start of the | Non-compliant | | Due to lack of operations, the directors meet as the need arises. |

| | financial year. | | | |
|---------|---|----------------------|--|---|
| 3. | Board of directors meets at least six times during the year. | Non-compliant | | |
| 4. | Company requires as minimum quorum of at least 2/3 for board decisions. | Non-compliant | | Under by-laws of the Corporation, unless the law provides for a higher number of votes, a majority of the directors shall constitute a quorum for the transaction of business at any meeting, and the act of the majority of the directors present at any meeting at which a quorum is present shall be the Act of the Corporate Directors. |
| Princip | ole 5: The Board should endeavo | or to exercise an ob | jective and independent judgment on all corpo | orate affairs. |
| Recom | mendation 5.1 | | | |
| 1. | The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher. | Non-compliant | Please see the Corporation's Amended Manual on Corporate Governance as adopted by the Board on May 2017 http://unitedparagon.com/wp- content/uploads/2017/06/UPM-Amended- Corporate-Governance-Manual- May312017.pdf | Although the Amended MCG provided at least three ID, the corporation currently has two ID consistent with its by-laws. The Independent Directors constitute 22.22% of the Corporation's nine (9) directors. A majority of the directors are also non-executive directors. |
| | 1 2 | | | |
| | mendation 5.2 The independent directors | Compliant | Please see the Corporation's Annual | |

| | Board on May 2017 and By-Laws. | |
|-----------|--|---|
| | https://unitedparagon.com/secdisc/secis/2 020dis.pdf | |
| | http://unitedparagon.com/wp- content/uploads/2017/06/UPM-Amended- Corporate-Governance-Manual- May312017.pdf | |
| | http://unitedparagon.com/wp- content/uploads/2017/06/UPM-SEC-Form- ACGR-2017-May302017.pdf | |
| | http://unitedparagon.com/wp- content/uploads/2014/10/UPM-Amended- Bylaws-Oct142014.pdf | |
| | | |
| Compliant | Please see the Corporation's by-laws, Annual Corporate Governance Report for the year 2016 and the Amended Manual of Corporate Governance as adopted by the Board on May 2017. http://unitedparagon.com/wp-content/uploads/2017/06/UPM-Amended-Corporate-Governance-Manual-May312017.pdf | |
| | Compliant | http://unitedparagon.com/wp- content/uploads/2017/06/UPM-Amended- Corporate-Governance-Manual- May312017.pdf http://unitedparagon.com/wp- content/uploads/2017/06/UPM-SEC-Form- ACGR-2017-May302017.pdf http://unitedparagon.com/wp- content/uploads/2014/10/UPM-Amended- Bylaws-Oct142014.pdf Compliant Please see the Corporation's by-laws, Annual Corporate Governance Report for the year 2016 and the Amended Manual of Corporate Governance as adopted by the Board on May 2017. http://unitedparagon.com/wp- content/uploads/2017/06/UPM-Amended- Corporate-Governance-Manual- |

| Recom | nmendation 5.3 | | http://unitedparagon.com/wp- content/uploads/2017/06/UPM-SEC-Form- ACGR-2017-May302017.pdf http://unitedparagon.com/wp- content/uploads/2014/10/UPM-Amended- Bylaws-Oct142014.pdf | |
|-------|---|-----------|--|--|
| | The independent directors serve for a cumulative term of nine years (reckoned from 2012) | Compliant | Please see the Corporation's Amended Manual on Corporate Governance as adopted by the Board on May 2017. http://unitedparagon.com/wp-content/uploads/2017/06/UPM-Amended-Corporate-Governance-Manual-May312017.pdf | |
| 2. | The Company bars an independent director from serving such capacity after the term limit of nine years. | Compliant | Please see the Corporation's Amended Manual on Corporate Governance as adopted by the Board on May 2017. http://unitedparagon.com/wp- content/uploads/2017/06/UPM-Amended- Corporate-Governance-Manual- May312017.pdf | |
| 3. | The instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and | Compliant | Please see the Corporation's Amended Manual on Corporate Governance as adopted by the Board on May 2017. http://unitedparagon.com/wp-content/uploads/2017/06/UPM-Amended- | |

| | seeks shareholders' approval during the annual shareholders' meeting. | | Corporate-Governance-Manual- May312017.pdf | |
|-------|--|-----------|--|--|
| Recom | mendation 5.4 | | | |
| 1. | The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals. | Compliant | Please see the Corporation's Amended Manual on Corporate Governance as adopted by the Board on May 2017 and ACGR 2016. http://unitedparagon.com/wp- content/uploads/2017/06/UPM-Amended- Corporate-Governance-Manual- May312017.pdf http://unitedparagon.com/wp- content/uploads/2017/06/UPM-SEC-Form- ACGR-2017-May302017.pdf | |
| 2. | The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities. | Compliant | Please see the Corporation's Amended Manual on Corporate Governance as adopted by the Board on May 2017 and ACGR 2016. http://unitedparagon.com/wp- content/uploads/2017/06/UPM-Amended- Corporate-Governance-Manual- May312017.pdf http://unitedparagon.com/wp- content/uploads/2017/06/UPM-SEC-Form- ACGR-2017-May302017.pdf | |

| Recom | mendation 5.5 | | | |
|-------|---|---------------|---|---|
| 1. | If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors. | Non-compliant | | The Corporation has two Independent Directors and both are of the same stature and competencies. They exercise chairmanship over their respective committees. |
| Recom | mendation 5.6 | | | |
| | Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction. | Compliant | The voting results of over such transactions during board meetings are reflected in the minutes. Please see the Corporation's Amended Manual on Corporate Governance as adopted by the Board on May 2017 and ACGR 2016. http://unitedparagon.com/wp-content/uploads/2017/06/UPM-Amended-Corporate-Governance-Manual-May312017.pdf http://unitedparagon.com/wp-content/uploads/2017/06/UPM-SEC-Form-ACGR-2017-May302017.pdf | |
| Recom | mendation 5.7 | | | |
| 1. | The non-executive directors (NED) have separate periodic meetings with the external auditor and heads | Compliant | Please see the Corporation's Amended Manual on Corporate Governance as adopted by the Board on May 2017 and ACGR 2016. | |

| | of the internal audit, compliance and risk functions, without any executive present. | | http://unitedparagon.com/wp-content/uploads/2017/06/UPM-Amended-Corporate-Governance-Manual-May312017.pdf http://unitedparagon.com/wp-content/uploads/2017/06/UPM-SEC-Form-ACGR-2017-May302017.pdf | |
|--------|--|---------------|---|--|
| 2. | The meetings are chaired by the lead independent director. | Non-Compliant | | Currently the company does not have a lead independent director. |
| Option | nal Principle 5 | | | |
| 1. | None of the directors is a former CEO of the company in the past 2 years. | Non-Compliant | Mr. Alfredo C. Ramos was the CEO of the company for the past 5 years and was replaced by Mr. AR in the 2019 ASM. Mr. ACR still sits as Chair of the Board. | |
| | | | ess is through an assessment process. The Boar it possess the right mix of backgrounds and cor | · . |
| Recom | mendation 6.1 | | | |
| | Board conducts an annual self-assessment of its performance as a whole. | Compliant | Please see the Corporation's Amended Manual on Corporate Governance as adopted by the Board on May 2017 and | |
| 2. | The Chairman conducts a self-assessment of his performance. | Compliant | ACGR 2016. http://unitedparagon.com/wp- | |
| 2 | The individual members | Compliant | content/uploads/2017/06/UPM-Amended- | |

| 4. | Each committee conducts a self-assessment of its performance. | Compliant | http://unitedparagon.com/wp- content/uploads/2017/06/UPM-SEC-Form- ACGR-2017-May302017.pdf | |
|-------|---|---------------|--|--|
| 5. | Every three years, the assessments are supported by an external facilitator. | Non-Compliant | | Due to lack of operations, the Board deemed it unnecessary to engage an external facilitator at this time. |
| Recom | mendation 6.2 | | | |
| | 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 | The corporation's website provides the contact of the company's investor relations officer who may be contacted for any concern. Please see the Corporation's Amended Manual on Corporate Governance as | |
| 2. | The system allows for a feedback mechanism from the shareholders. | Compliant | adopted by the Board on May 2017 and ACGR 2016. http://unitedparagon.com/wp-content/uploads/2017/06/UPM-Amended-Corporate-Governance-Manual-May312017.pdf http://unitedparagon.com/wp-content/uploads/2017/06/UPM-SEC-Form-ACGR-2017-May302017.pdf | |

| Duin sin | Ja 7: Marchara of the Decad are | a dutu bawad ta a | | the interest of all states about |
|----------|---|-------------------|--|-----------------------------------|
| | ne 7: Members of the Board are | e duty-bound to a | pply high ethical standards, taking into account | the interest of all stakeholders. |
| | Board adopts a Code of 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 | Please see the Corporation's Amended Manual on Corporate Governance as adopted by the Board on May 2017 and ACGR 2016. http://unitedparagon.com/corporate- governance/ http://unitedparagon.com/wp- content/uploads/2017/06/UPM-Amended- | |
| 2. | The Code is properly disseminated to the Board, senior management and employees. | Compliant | Corporate-Governance-Manual-May312017.pdf http://unitedparagon.com/wp- | |
| 3. | The Code is disclosed and made available to the public through the company website. | Compliant | content/uploads/2017/06/UPM-SEC-Form-ACGR-2017-May302017.pdf | |
| Supple | ment to Recommendation 7.1 | | | |
| | Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering paying and receiving bribes. | Compliant | https://www.unitedparagon.com/corporat e-governance.html Please see ACGR 2016. http://unitedparagon.com/wp-content/uploads/2017/06/UPM-SEC-Form-ACGR-2017-May302017.pdf | |

| ecom | mendation 7.2 | | | |
|-----------------------|--|------------------------------|--|---|
| 1. | Board ensures the proper and efficient implementation and | Compliant | https://www.unitedparagon.com/corporat e-governance.html | |
| | monitoring of compliance with the Code of Business Conduct and Ethics. | | Please see ACGR 2016. http://unitedparagon.com/wp- | |
| 2 | Board ensures the proper | Compliant | content/uploads/2017/06/UPM-SEC-Form- | |
| | and efficient implementation and monitoring of compliance with company internal | Compilant | ACGR-2017-May302017.pdf | |
| | policies. | | | |
| egulat | tory expectations. | blish corporate d | isclosure policies and procedures that are practic | al and in accordance with best practices a |
| egulat Recom | ory expectations. mendation 8.1 | · | | al and in accordance with best practices a |
| egulat ecom | mendation 8.1 Board establishes corporate disclosure policies and | blish corporate d Compliant | Please see various SEC disclosures in the company's website. | cal and in accordance with best practices a |
| egulat ecom | cory expectations. mendation 8.1 Board establishes corporate | · | Please see various SEC disclosures in the | cal and in accordance with best practices a |
| egulat Recom | Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to | · | Please see various SEC disclosures in the company's website. | cal and in accordance with best practices a |
| egulat Recom | Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other | · | Please see various SEC disclosures in the company's website. https://www.unitedparagon.com/sec- | cal and in accordance with best practices a |
| egulat Recom | Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to | · | Please see various SEC disclosures in the company's website. https://www.unitedparagon.com/sec- | cal and in accordance with best practices a |
| egulat Recom | 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 | · | Please see various SEC disclosures in the company's website. https://www.unitedparagon.com/sec- | cal and in accordance with best practices a |
| egulat ecom | 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 | · | Please see various SEC disclosures in the company's website. https://www.unitedparagon.com/sec- | cal and in accordance with best practices a |
| egulat Recom 1. | mendation 8.1 Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations. | Compliant | Please see various SEC disclosures in the company's website. https://www.unitedparagon.com/sec- | cal and in accordance with best practices a |
| egulat Recom 1. | Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations. | Compliant | Please see various SEC disclosures in the company's website. https://www.unitedparagon.com/sec- | cal and in accordance with best practices a |

| | quarterly consolidated | | quarterly consolidated reports. | |
|-------|------------------------------|-----------|---|--|
| | reports, cash flow | | | |
| | statements, and special | | Consolidated financial statements are | |
| | audit revisions. | | published within ninety (90) days from the | |
| | Consolidated financial | | end of the fiscal year, while interim reports | |
| | statements are published | | are published within forty-five (45) days | |
| | within ninety (90) days from | | from the end of the reporting period. | |
| | the end of the fiscal year, | | These reports are uploaded in the | |
| | while interim reports are | | company's website. | |
| | published within forty-five | | | |
| | (45) days from the end of | | https://www.unitedparagon.com/sec- | |
| | the reporting period. | | <u>filings.html</u> | |
| 2. | Company discloses in its | Compliant | Please see the Corporation's Annual Report | |
| | annual report the principal | | for the year 2020. | |
| | risks associated with the | | | |
| | identity of the company's | | https://unitedparagon.com/secdisc/sec17a | |
| | controlling shareholders; | | /2020annual.pdf | |
| | the degree of ownership | | | |
| | concentration; cross- | | | |
| | holdings among company | | | |
| | affiliates; and any | | | |
| | imbalances between the | | | |
| | controlling shareholders' | | | |
| | voting power and overall | | | |
| | equity position in the | | | |
| | company. | | | |
| Recom | mendation 8.2 | | | |
| 1. | Company has a policy | Compliant | The Corporation complies and adopts with | |
| | requiring all directors to | | the SEC's disclosure requirements on any | |
| | disclose / report to the | | dealings by any of its directors in the | |
| | company any dealings in the | | Corporation's shares. | |
| | | | | |

| | company's shares within three business days. 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 see SEC 23-B uploaded in the Corporation's website https://www.unitedparagon.com/sec-filings.html | |
|-------|--|-----------|--|--|
| | 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 | Please see the Corporation's Definitive Information Statement of 2020, the Corporation's Annual Report 2020 (SEC 17- A), ACGR 2016 and Public Ownership Report and Top 100 Stockholders uploaded in the Corporation's website. https://www.unitedparagon.com/sec- fillings.html https://www.unitedparagon.com/corporat e-governance.html | |
| Recom | nmendation 8.3 | | <u>e governamemm</u> | |
| 1. | Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment. | Compliant | Please see the Corporation's Definitive Information Statement of 2020, and the Corporation's Annual Corporate Governance Report 2017 uploaded in the company's website: https://unitedparagon.com/secdisc/sec17a/2020annual.pdf | |

| | 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 | http://unitedparagon.com/wp- content/uploads/2017/06/UPM-SEC-Form- ACGR-2017-May302017.pdf | |
|-------|---|-----------|---|--|
| Recom | mendation 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 Additional Information on Recommendation 2.5 Please see the Corporation's Definitive | |
| 2. | Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same. | Compliant | Information Statement of 2020, the Corporation's Annual Corporate Governance Report 2016, SEC 17-A 2020, Amended MCG and By-laws https://unitedparagon.com/secdisc/sec17a | |
| 3. | Company discloses the remuneration on an individual basis, including termination and retirement provisions. | Compliant | /2020annual.pdf https://unitedparagon.com/secdisc/secis/2 020dis.pdf http://unitedparagon.com/wp- content/uploads/2017/06/UPM-Amended- Corporate-Governance-Manual- May312017.pdf | |

| | | T | T | T |
|--------|--------------------------------|-----------|--|-----|
| | | | http://unitedparagon.com/wp- | |
| | | | content/uploads/2017/06/UPM-SEC-Form- | |
| | | | ACGR-2017-May302017.pdf | |
| | | | | |
| | | | http://unitedparagon.com/wp- | |
| | | | content/uploads/2014/10/UPM-Amended- | |
| | | | Bylaws-Oct142014.pdf | |
| _ | 1 0.5 | | | |
| | nmendation 8.5 | T | | |
| 1. | / | Compliant | Please to Additional Information on | |
| | policies governing Related | | Recommendation 2.7 | |
| | Party Transactions (RPTs) | | | |
| | and other unusual or | | https://www.unitedparagon.com/corporat | |
| | infrequently occurring | | <u>e-governance.html</u> | |
| | transactions in their Manual | | | |
| | on Corporate Governance. | | | |
| 2. | Company discloses material | Compliant | Please refer to Annual Report 2020. | |
| | or significant RPTs reviewed | | | |
| | and approved during the | | https://unitedparagon.com/secdisc/sec17a | |
| | year. | | /2020annual.pdf | |
| Supple | ement to Recommendation 8.5 | | | |
| 1. | Company requires directors | Compliant | Directors disclose their interest in | |
| | to disclose their interests in | | transactions or any other conflicts of | |
| | transactions or any other | | interest during the board meeting at which | |
| | conflict of interests. | | such transactions are discussed. | |
| | | | | |
| | | | Please see the Corporation's Amended | |
| | | | Manual on Corporate Governance as | |
| | | | adopted by the Board on May 2017. | |
| | | | , | |
| | | 1 | I | l . |

| | Ī | | | 1 | | |
|--------|----------------------------------|-----------|--|---|--|--|
| | | | http://unitedparagon.com/wp- | | | |
| | | | content/uploads/2017/06/UPM-Amended- | | | |
| | | | Corporate-Governance-Manual- | | | |
| | | | May312017.pdf | | | |
| Option | nal: Recommendation 8.5 | | | | | |
| 1. | Company discloses that | Compliant | Please refer to Additional Information | | | |
| | RPTs are conducted in such | | under Recommendation 2.7. | | | |
| | a way to ensure that they | | | | | |
| | are fair and at arms' length. | | | | | |
| Recom | mendation 8.6 | | | | | |
| 1. | Company makes a full, fair, | Compliant | Please see the Current Reports under SEC | | | |
| | accurate and timely | | Form 17-C uploaded in the Corporation's | | | |
| | disclosure to the public of | | website. | | | |
| | every material fact or event | | | | | |
| | that occur, particularly on | | https://www.unitedparagon.com/sec- | | | |
| | the acquisition or disposal | | filings.html | | | |
| | of significant assets, which | | | | | |
| | could adversely affect the | | | | | |
| | viability or the interest of its | | | | | |
| | shareholders and other | | | | | |
| | stakeholders. | | | | | |
| 2. | Board appoints an | Compliant | There has been no need for the | | | |
| | independently partly to | | Corporation to appoint an independent | | | |
| | evaluate the fairness of the | | party because there has been no | | | |
| | transaction price on the | | acquisition or disposal of assets. | | | |
| | acquisition or disposal of | | acquisition disposal of assets. | | | |
| | assets. | | | | | |
| Supple | Supplement to Recommendation 8.6 | | | | | |
| 1. | | Compliant | It has been the practice of the company to | | | |
| 1. | existence justification and | Compilant | disclose such agreements to the SEC & PSE | | | |
| | details on shareholder | | however, there had been no such | | | |
| L | actails off stial cholact | | However, there had been no such | | | |

| | agreements, voting trust | | agreement in 2020. | |
|--------|-----------------------------|---------------|--|--|
| | agreements, confidentiality | | | |
| | agreements, and such other | | | |
| | agreements that may | | | |
| | impact on the control, | | | |
| | ownership, and strategic | | | |
| | direction of the company. | | | |
| Recom | mendation 8.7 | | | |
| 1. | Company's corporate | Compliant | Please see the Corporation's Amended | |
| | governance policies, | | Manual on Corporate Governance as | |
| | programs and procedures | | adopted by the Board on May 2017. | |
| | are contained in its Manual | | | |
| | on Corporate Governance | | http://unitedparagon.com/wp- | |
| | (MCG). | | content/uploads/2017/06/UPM-Amended- | |
| 2. | Company's MCG is | Compliant | Corporate-Governance-Manual- | |
| | submitted to the SEC and | | May312017.pdf | |
| | PSE. | | | |
| 3. | | Compliant | _ | |
| | on its company website. | C 0pat | | |
| Supple | ement to Recommendation 8.7 | | | |
| | Company submits to the SEC | Compliant | Please see the Corporation's Amended | |
| | and PSE an updated MCG to | • | Manual on Corporate Governance as | |
| | disclose any changes in its | | adopted by the Board on May 2017. | |
| | corporate governance | | | |
| | practices. | | http://unitedparagon.com/wp- | |
| | F. 5.2.3.50 | | content/uploads/2017/06/UPM-Amended- | |
| | | | Corporate-Governance-Manual- | |
| | | | May312017.pdf | |
| Ontion | nal: Principle 8 | | indy512517.pdi | |
| 1. | • | | Please see the Corporation's Annual Report | |
| 1. | Report disclose the | | 2020. | |
| | richort disclose the | | 2020. | |

| followi | ng information: | | | |
|-----------|--------------------------------|------------|--|--|
| a. | Corporate | Compliant | https://unitedparagon.com/secdisc/sec17a | |
| | Objectives | | /2020annual.pdf | |
| b. | Financial | Compliant | | |
| | performance | | | |
| | indicators | | | |
| C. | Non-financial | Compliant | | |
| | performance | | | |
| | indicators | | | |
| | Dividend Policy | Compliant | | |
| e. | 0 1 | Compliant | | |
| | (at least age | | | |
| | academic | | | |
| | qualifications, date | | | |
| | of first | | | |
| | appointment, | | | |
| | relevant experience, and other | | | |
| | directorships in | | | |
| | listed companies) of | | | |
| | all directors | | | |
| f. | Attendance details | Compliant | | |
| '' | of each director in | Compilarit | | |
| | all directors | | | |
| | meetings held | | | |
| | during the year | | | |
| g. | Total remuneration | Compliant | | |
| | of each member of | • | | |
| | the board of | | | |
| | directors | | | |
| 2. The An | nual Report contains | Compliant | | |

| | a statement confirming the | | https://unitedparagon.com/secdisc/sec17a | |
|----|--------------------------------|--------------|--|--|
| | company's full compliance | | /2020annual.pdf | |
| | with the Code of Corporate | | /2020amuai.pui | |
| | Governance and where | | | |
| | there is non-compliance, | | | |
| | • | | | |
| | identifies and explains | | | |
| | reason for each such issue. | 0 !: : | | |
| 3. | The Annual Report/Annual | Compliant | | |
| | CG Report discloses that the | | https://unitedparagon.com/secdisc/sec17a | |
| | board of directors | | /2020annual.pdf | |
| | conducted a review of the | | | |
| | company's material controls | | http://unitedparagon.com/wp- | |
| | (including operational | | content/uploads/2017/06/UPM-SEC-Form- | |
| | financial and compliance | | ACGR-2017-May302017.pdf | |
| | controls) and risk | | | |
| | management systems. | | | |
| 4. | The Annual Report/Annual | Compliant | https://unitedparagon.com/secdisc/sec17a | |
| | CG Report contains a | | /2020annual.pdf | |
| | statement from the board of | | | |
| | directors or Audit | | http://unitedparagon.com/wp- | |
| | Committee commenting on | | content/uploads/2017/06/UPM-SEC-Form- | |
| | the adequacy of the | | ACGR-2017-May302017.pdf | |
| | company's internal | | | |
| | controls/risk management | | | |
| | systems. | | | |
| 5. | The company discloses in | Compliant | https://unitedparagon.com/secdisc/sec17a | |
| | the Annual Report the key | _[| /2020annual.pdf | |
| | risks to which the company | | 2.2 12.2 | |
| | is materially exposed to (i.e. | | | |
| | financial operational | | | |
| | including IT, environmental, | | | |
| L | morading it, crivitorimental, | | | |

| social, economic). | | | |
|----------------------------------|------------------------|---|--|
| | | | |
| inciple 9: The company should e | stablish standards for | the appropriate selection of an external audito | r, and exercise effective oversight of the |
| ime to strengthen the external a | uditor's independenc | e and enhance audit quality. | |
| ecommendation 9.1 | | | |
| 1. Audit Committee has a | Compliant | Please see the ACGR 2016 and the | |
| robust process for | | Corporation's Amended Manual on | |
| approving and | | Corporate Governance as adopted by the | |
| recommending the | | Board on May 2017. | |
| appointment, | | | |
| reappointment, removal, | | http://unitedparagon.com/wp- | |
| and fees of the external | | content/uploads/2017/06/UPM-Amended- | |
| auditors. | | Corporate-Governance-Manual- | |
| | | May312017.pdf | |
| | | | |
| | | http://unitedparagon.com/wp- | |
| | | content/uploads/2017/06/UPM-SEC-Form- | |
| | | ACGR-2017-May302017.pdf | |
| | | | |
| 2. The appointment, | Compliant | 87.657% of shareholders that ratified the | |
| reappointment, removal, | | reappointment and fees of the external | |
| and fees of the external | | auditor. | |
| auditor is recommended by | у | | |
| the Audit Committee, | | | |
| approved by the Board an | d | | |
| ratified by the shareholde | | | |
| 3. For removal of the externa | al Compliant | The Company retained the services of the | |
| auditor, the reasons for | | external auditor. | |
| removal or change are | | | |
| disclosed to the regulators | 5 | | |

| company w | | | | |
|-------------------------------------|-------------------------|-----------|--|--|
| required dis | | | | |
| Supplement to Rec | | | | |
| Company he rotating the partner eve | • • | Compliant | Please see the Definitive Information Statement of 2020, the Corporation's Annual Corporate Governance Report 2016. | |
| | | | http://unitedparagon.com/wp- content/uploads/2017/06/UPM-SEC-Form- ACGR-2017-May302017.pdf | |
| | | | https://unitedparagon.com/secdisc/secis/2 020dis.pdf | |
| Recommendation 9 | .2 | | | |
| Audit Comn includes the | e Audit | Compliant | Please see the Corporation's ACGR 2016. | |
| | s responsibility | | http://unitedparagon.com/wp- | |
| on: | and an object | | content/uploads/2017/06/UPM-SEC-Form- | |
| | essing the | | ACGR-2017-May302017.pdf | |
| | egrity and ependence of | | | |
| | ernal auditors: | | https://www.unitedparagon.com/corporat | |
| | rcising effective | | e-governance.html | |
| | rsight to review | | <u> </u> | |
| | monitor the | | | |
| exte | ernal auditor's | | | |
| inde | ependence and | | | |
| obj | ectivity; and | | | |

| iii. exercising effective oversight to review and monitor the effectiveness of the audit process taking into consideration relevant Philippine professional and regulatory requirements. | | | |
|--|-----------|--|--|
| Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis. | Compliant | | |
| Supplement to Recommendation 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 | Please see the Corporation's Amended Manual on Corporate Governance as adopted by the Board on May 2017 and the ACGR 2016. http://unitedparagon.com/wp- content/uploads/2017/06/UPM-Amended- Corporate-Governance-Manual- May312017.pdf | |

| | | | http://unitedparagon.com/wp- content/uploads/2017/06/UPM-SEC-Form- ACGR-2017-May302017.pdf | |
|-------|--|-----------|--|--|
| 2. | Audit Committee ensures that the external auditor has adequate quality control procedures. | Compliant | Please see the Corporation's Amended Manual on Corporate Governance as adopted by the Board on May 2017 and the ACGR 2016. | |
| | | | http://unitedparagon.com/wp- content/uploads/2017/06/UPM-Amended- Corporate-Governance-Manual- May312017.pdf | |
| | | | http://unitedparagon.com/wp- content/uploads/2017/06/UPM-SEC-Form- ACGR-2017-May302017.pdf | |
| Recom | mendation 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 | The External Auditor of the Corporation currently does not perform any non-audit services. | |
| 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 | Compliant | Please see the Corporation's Amended Manual on Corporate Governance as adopted by the Board on May 2017 and the ACGR 2016. | |

| | impairing the external auditor's objectivity. | | Corporate-Governance-Manual- May312017.pdf | |
|----|---|---------------|--|---|
| | | | http://unitedparagon.com/wp- | |
| | | | content/uploads/2017/06/UPM-SEC-Form- | |
| | | | ACGR-2017-May302017.pdf | |
| | ment to Recommendation 9.3 | | | |
| 1. | Fees paid for non-audit | Compliant | The External Auditor of the Corporation | |
| | services do not outweigh | | currently does not perform any non-audit | |
| | the fees paid for audit | | services. Thus there are no non-audit fees | |
| | services. | | paid by the Corporation. | |
| | onal Recommendation to Princ | | | |
| 1. | Company's external auditor is duly accredited by the SEC under Group category | Compliant | The Corporation's current external auditor is Sycip Gorres Velayo & Co., | |
| | | | Ma. Genalin Q. Arevalo; SEC Accreditation Number 1613-A (Group A) November 11, 2019 valid until November 10, 2022: Sycip Gorres Velayo & Co., 6760 Ayala Avenue, Makati City; Telephone Number: 891-0307 | |
| 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) | Non-compliant | | To the best of its knowledge, the Corporation is not aware, whether or not its external auditor agreed to be subject to the SOAR inspection program conducted by the SEC. |

| | | ure that the mater | ial and reportable non-financial and sustainabi | lity issues are disclosed. |
|---------|---|--------------------|---|--|
| | mendation 10.1 Board has a clear and focused policy on the disclosure of non-financial information with emphasis on the management of economic, environment, social and governance (EESG) issues of its business, which underpin sustainability. | Compliant | Please the Corporate Social Responsibility that is uploaded in the company's website: https://www.unitedparagon.com/corporat e-governance.html Please see the Annual Corporate Governance Report 2016 http://unitedparagon.com/wp-content/uploads/2017/06/UPM-SEC-Form-ACGR-2017-May302017.pdf | |
| 2. | Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues. | Compliant | Please see the 2020 Annual report SEC 17-A. https://unitedparagon.com/secdisc/sec17a/2020annual.pdf | |
| This ch | · | • | nsive and cost-efficient communication channe nvestors, stakeholders and other interested use | <u> </u> |
| | Company has media and analysts' briefings | Non-compliant | | The Company does not conduct media and analyst briefings. However during Annual Meetings, media |

| | | | representatives are free to interview the | |
|---|----------------------|--|---|--|
| | | | Corporation's appointed spokesperson. | |
| Supplemented to Principle 11 | | | | |
| 1. Company has a website | | | | |
| disclosing up-to-date | | | | |
| information on the | | | | |
| following: | | | | |
| a. Financial | Compliant | | | |
| statements/reports | Compliant | | | |
| (latest quarterly) | | | | |
| b. Materials provided in | | | | |
| briefings to analysts and | | | | |
| media | | Please see the Corporation's website: | | |
| c. Downloadable annual | | rease see the corporation's website. | | |
| report | | https://www.unitedparagon.com/index.ht | | |
| d. Notice of ASM and/or | | ml | | |
| SSM | | <u></u> | | |
| e. Minutes of ASM and/or | | | | |
| SSM | | | | |
| f. Company's Articles of | | | | |
| Incorporation | | | | |
| Additional Recommendation to Princ | ciple 11 | | | |
| Company complies with SEC | Compliant | Please see the Corporation's website: | | |
| prescribed website | | https://www.unitedparagon.com/index.ht | | |
| template. | | <u>ml</u> | | |
| 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 e | enterprise risk mana | agement framework. | | |
| | | | | |

| mendation 12.1 | | | |
|--|--|---|--|
| Company has an adequate and effective internal control system in the conduct of its business. | Compliant | Please see the Corporation's Amended Manual on Corporate Governance as adopted by the Board on May 2017 and the ACGR 2016. | |
| | | http://unitedparagon.com/wp- content/uploads/2017/06/UPM-Amended- Corporate-Governance-Manual- May312017.pdf | |
| | | http://unitedparagon.com/wp- content/uploads/2017/06/UPM-SEC-Form- ACGR-2017-May302017.pdf | |
| | | Please see additional information under Recommendation 2.10 | |
| Company has an adequate and effective enterprise risk management framework in the conduct of its business. | Compliant | http://unitedparagon.com/wp- content/uploads/2017/06/UPM-SEC-Form- ACGR-2017-May302017.pdf | |
| | | https://www.unitedparagon.com/corporat e-governance.html | |
| | | Please see additional information under Recommendation 2.11 | |
| ment to Recommendation 12. | 1 | | |
| Company has a formal comprehensive enterprise-wide compliance program | Non-compliant | | The Company has no formal Comprehensive enterprise-wide compliance program. However, Personnel are encouraged to attend trainings and |
| | Company has an adequate and effective internal control system in the conduct of its business. Company has an adequate and effective enterprise risk management framework in the conduct of its business. ment to Recommendation 12. Company has a formal comprehensive enterprise- | Company has an adequate and effective internal control system in the conduct of its business. Company has an adequate and effective enterprise risk management framework in the conduct of its business. Company has a formal comprehensive enterprise-wide compliance program Compliant Compliant Compliant | Company has an adequate and effective internal control system in the conduct of its business. Compliant Manual on Corporate Governance as adopted by the Board on May 2017 and the ACGR 2016. http://unitedparagon.com/wp-content/uploads/2017/06/UPM-Amended-Corporate-Governance-Manual-May312017.pdf http://unitedparagon.com/wp-content/uploads/2017/06/UPM-SEC-Form-ACGR-2017-May302017.pdf Please see additional information under Recommendation 2.10 http://unitedparagon.com/wp-content/uploads/2017/06/UPM-SEC-Form-ACGR-2017-May302017.pdf Please see additional information under Recommendation 2.10 http://unitedparagon.com/wp-content/uploads/2017/06/UPM-SEC-Form-ACGR-2017-May302017.pdf http://unitedparagon.com/corporate-content/uploads/2017/06/UPM-SEC-Form-ACGR-2017-May302017.pdf https://www.unitedparagon.com/corporate-governance.html Please see additional information under Recommendation 2.11 Tompany has a formal comprehensive enterprise-wide compliance program Non-compliant |

| | laws and relevant regulations that is annually reviewed. The programs include appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances. | | information campaign seminars on new laws/regulations being Implemented that impacts on the Company's business and operations. |
|--------|--|----------------|--|
| Option | al: Recommendation 12.1 | | |
| 1. | Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board. | | |
| Recom | mendation 12.2 | | |
| | 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. | Non-compliant | The company has no internal audit. |
| Recom | mendation to 12.3 | | |
| | Company has a qualified Chief Audit Executive (CAE) appointed by the Board. | Non-compliant | Due to no operation, the board deems it not necessary to appoint a Chief Audit Executive. |
| 2. | CAE oversees and is | Non- compliant | EXCOUNC. |

| | | 1 | | |
|--------|-------------------------------|----------------|--|---|
| | responsible for the internal | | | |
| | audit activity, a qualified | | | |
| | independent executive or | | | |
| | senior management | | | |
| | personnel is assigned the | | | |
| | responsibility for managing | | | |
| | the fully outsourced internal | | | |
| | audit activity. | | | |
| 3. | In case of a fully outsourced | Non- compliant | | |
| | internal audit activity, | | | |
| | qualified independent | | | |
| | executive or senior | | | |
| | management personnel is | | | |
| | assigned the responsibility | | | |
| | for managing the fully | | | |
| | outsourced internal audit | | | |
| | activity. | | | |
| Recom | mendation 12.4 | | | |
| 1. | Company has a separate risk | Compliant | Please refer to the Additional Information | |
| | management function to | | on Recommendation 3.4 | |
| | identify, assess and monitor | | | |
| | key risk, exposures. | | | |
| Supple | ment to Recommendation 12. | .4 | | |
| 1. | Company seeks external | Compliant | Please refer to the Additional Information | |
| | technical support in risk | | on Recommendation 3.4 | |
| | management when such | | | |
| | competence is not available | | | |
| | internally. | | | |
| Recom | mendation 12.5 | | | |
| 1. | In managing the company's | Compliant | The Treasurer, Mr. Adrian Paulino S. | |
| | Risk Management System, | | Ramos, acts as the Chief Risk Officer | |
| | | | • | · |

| | the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM) | | Identify the company's Chief Risk Officer (CRO). Please refer to the Corporation's Amended Manual on Corporate Governance as adopted by the Board on May 2017 containing his responsibilities. | |
|----|---|-----------|---|--|
| | | | http://unitedparagon.com/wp- content/uploads/2017/06/UPM-Amended- Corporate-Governance-Manual- May312017.pdf | |
| 2. | CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities. | Compliant | | |
| | onal Recommendation to Prince | ciple 12 | | |
| | Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively. | Compliant | Since the company does not have a CAE, it is the Chairman of the Board, CEO & Treasurer signs the Statement of Management Responsibility for the Financial Statement yearly and, the company submits the Annual Special Form for Investment for Publicly Held Companies PHFS. | |

| | | Cultivati | ng a Synergic Relationship with Shareholders | |
|---------|---|---------------------|---|----------------------------------|
| Princip | le 13: The company should trea | it all shareholders | fairly and equitably, and also recognize, protect and facilitat | te the exercise of their rights. |
| Recom | mendation 13.1 | | | |
| 1. | Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance. | Compliant | Please see the Corporation's Amended Manual on Corporate Governance as adopted by the Board on May 2017. http://unitedparagon.com/wp- content/uploads/2017/06/UPM-Amended- Corporate-Governance-Manual- May312017.pdf | |
| 2. | Board ensures that basic shareholder rights are disclosed on the company's website. | Compliant | Please see the Corporation's Amended Manual on Corporate Governance as adopted by the Board on May 2017. http://unitedparagon.com/wp- content/uploads/2017/06/UPM-Amended- Corporate-Governance-Manual- May312017.pdf | |
| - | ment to Recommendation 13. | 1 | | |
| 1. | Company's common share has one vote for one share. | Compliant | Please see the Corporation's Amended Manual on Corporate Governance as | |
| 2. | Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights. | Compliant | adopted by the Board on May 2017, Definitive IS- 2019, ACGR 2016 and By-laws. http://unitedparagon.com/wp-content/uploads/2017/06/UPM-Amended-Corporate-Governance-Manual- | |
| 3. | Board has an effective, secure, and efficient voting | Compliant | May312017.pdf | |

| | system. | | https://unitedparagon.com/secdisc/secis/2 | |
|--------|--|-----------|--|--|
| 4. | Board has an effective | Compliant | 020dis.pdf | |
| | shareholder voting | , | | |
| | mechanisms such as | | http://unitedparagon.com/wp- | |
| | supermajority or "majority | | content/uploads/2017/06/UPM-SEC-Form- | |
| | of minority" requirements | | ACGR-2017-May302017.pdf | |
| | to protect minority | | | |
| | shareholders against actions | | http://unitedparagon.com/wp- | |
| | of controlling shareholders. | | content/uploads/2014/10/UPM-Amended- | |
| 5. | Board allows shareholders | Compliant | Bylaws-Oct142014.pdf | |
| | to call a special | | | |
| | shareholders' meeting and | | The company has not declared dividends in | |
| | submit a proposal for | | 2020. | |
| | consideration or agenda | | | |
| | item at the AGM or special | | | |
| | meeting. | | | |
| 6. | Board clearly articulates and | Compliant | | |
| | enforces policies with | | | |
| | respect to treatment of minority shareholders. | | | |
| 7 | Company has a transparent | Compliant | _ | |
| /. | and specific dividend policy. | Compliant | | |
| Ontion | ial: Recommendation 13.1 | | | |
| 1. | | Compliant | The Corporation has appointed its stock | |
| 1. | independent party to count | Compliant | and transfer agent to count the votes at the | |
| | and/or validate the votes at | | Annual Shareholders' Meeting. | |
| | the Annual Shareholders' | | Annual Shareholders Weeting. | |
| | Meeting. | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | • | |

| Recom | mendation 13.2 | | | |
|-------|---|-----------|--|--|
| 1. | Board encourages active shareholder participation by sending the Notice of Annual and Special Stockholders' Meeting with sufficient and relevant information at least 28 days before the meeting. | Compliant | Please see the Corporation's Definitive Information Statement for the year 2020 uploaded in the Corporation's website https://unitedparagon.com/secdisc/secis/2 020dis.pdf | The Corporation's by-laws requires notices to be sent to stockholders at least 10 days before the date of annual meetings, however for the past years, the Company has been doing its best to follow the Asian Corporate Governance Scorecard to send notice at least 28 days before the meeting |
| upple | mental to Recommendation 1 | 3.2 | | |
| 1. | Company's Notice of Annual Stockholders' Meeting contains the following information: | | | |
| | a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies) | Compliant | Please see the Corporation's Definitive Information Statement for the year 2020 uploaded in the Corporation's website https://unitedparagon.com/secdisc/secis/2 020dis.pdf | |
| | b. Auditors seeking appointment/re- appointment | Compliant | | |
| | c. Proxy documents | Compliant | | |

| Option | al: Recommendation 13.2 | | | |
|--------|---|-----------|--|--|
| • | Company provides rationale for the agenda items for the annual stockholders meeting | Compliant | Please see the Corporation's Definitive Information Statement for the year 2020 uploaded in the Corporation's website http://unitedparagon.com/wp-content/uploads/2019/09/UPM-Definitive-20-IS-2019.pdf | |
| Recom | mendation 13.3 | | | |
| | 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 minutes of the stockholders meeting as approved by the stockholders are uploaded in the company's website. http://unitedparagon.com/minutes-of-general-special-stockholders-meetings/ | |
| 2. | Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting | Compliant | | |
| Supple | mental to Recommendation 1 | 3.3 | | |
| 1. | Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM | Compliant | The Corporation's external auditor, SGV & Co. is always present for the conduct of its annual stockholders' meeting. | |

| Recom | Recommendation 13.4 | | | |
|-------|---|-----------|--|--|
| | Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intracorporate disputes in an amicable and effective manner. | Compliant | Under the Corporation's Amended Manual on Corporate Governance, the Board of Directors shall establish an alternative dispute resolution system that can amicably settle conflicts or differences between the Corporation and its stockholders, and the Corporation and third parties, including regulatory authorities. | |
| 2. | The alternative dispute mechanism is included in the company's Manual on Corporate Governance. | Compliant | Please see the Corporation's Amended Manual on Corporate Governance as adopted by the Board on May 2017. http://unitedparagon.com/wp- content/uploads/2017/06/UPM-Amended- Corporate-Governance-Manual- May312017.pdf | |
| Recom | mendation 13.5 | | | |
| 1. | Board establishes an Investor Relations Officer (IRO) to ensure constant engagement with its shareholders. | Compliant | IRO Officer: Atty. Adrian S. Arias Telephone No. 8631 5139 Fax No. 8631 3113 Emali address: info@unitedparagon.com unitedparagonmining@gmail.com | |
| | | | http://unitedparagon.com/investor- relations/ | |

| 2. IRO is present at every | Compliant | | The IRO is invited to attend every | | |
|---|---------------|------------------------|---|--|--|
| shareholder's meeting. | Compilant | | shareholder's meeting. | | |
| Supplemental Recommendations to Principle 13 | | | | | |
| Board avoids anti-takeover measure or similar devices that may entrench ineffective management or the existing controlling shareholder group | Non-compliant | | There are no such instances. | | |
| Company has at least thirty percent (30%) public float to increase liquidity in the market. | Non-compliant | | The proportion of the Corporation's outstanding shares that are considered public float is less than 30% (i.e. 21.16%). | | |
| Optional: Principle 13 | | | | | |
| Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting | | | | | |
| Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting. 3. | | | | | |
| | | Duties to Stakeholders | | | |

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

| Recommendation 14.1 | | | |
|--|-----------|---|--|
| 1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability. | Compliant | Please see ACGR 2016 and company's corporate social responsibility http://unitedparagon.com/wp-content/uploads/2017/06/UPM-SEC-Form-ACGR-2017-May302017.pdf | |
| | | https://www.unitedparagon.com/corporat e-governance.html | |
| Recommendation 14.2 | | | |
| 1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders 1. Board establishes clear policies and provide a mechanism on the fair treatment and protection of stakeholders | Compliant | Please refer to the Corporation's Amended Manual on Corporate Governance as adopted by the Board on May 2017 and the ACGR 2016 uploaded in the Corporation's website http://unitedparagon.com/wp-content/uploads/2017/06/UPM-Amended-Corporate-Governance-Manual-May312017.pdf http://unitedparagon.com/wp-content/uploads/2017/06/UPM-SEC-Form-ACGR-2017-May302017.pdf The stakeholders may contact the Company's Investor Relation Officer | |

| Recom | Recommendation 14.3 | | | |
|--------|---|-----------|---|--|
| 1. | Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights. | Compliant | Please refer to the Corporation's Amended Manual on Corporate Governance and ACGR 2016 the Corporation's website www.unitedparagon.com The stakeholders may contact the Company's Investor Relation Officer http://unitedparagon.com/investor-relations/ | |
| Supple | ment to Recommendation 14. | 3 | | |
| | Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholder is settled in a fair and expeditious manner. | Compliant | The Corporation, through its Board of Directors, shall establish an alternative dispute resolution system that can amicably settle conflicts or differences between the Corporation and its stockholders, and the Corporation and third parties, including regulatory authorities. Please see the Corporation's Amended Manual on Corporate Governance as adopted by the Board on May 2017. http://unitedparagon.com/wp-content/uploads/2017/06/UPM-Amended-Corporate-Governance-Manual-May312017.pdf | |

| Δdditi | Additional Recommendations to Principle 14 | | | |
|--------|---|-----------|--|--|
| 1. | | Compliant | The Company has not sought any exemptions at this point | |
| 2. | Company respects intellectual property rights. | Compliant | It has been the practice of the Corporation to keep proprietary information confidential and are not disclosed to third parties without the written consent/approval of the potential Joint Venture Partners or investors and are always covered by Non-Disclosure Agreements. | |
| Option | al: Principle 14 | | | |
| 1. | Company discloses its policies and practices that address customers' welfare | | | |
| 2. | Company discloses its policies and practices that address supplier/contractor selection procedures. | | | |

| | | | ould be developed to create a symbolic enviro | nment, realize the company's goals and |
|--------|--|---------------|---|--|
| | pate in its corporate governance | e processes. | | |
| | mendation 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 governances. | Non-compliant | | Due to non-operation, the company is under care and maintenance and maintains a skeletal workforce at the mine site. |
| Supple | ement to Recommendation 15. | 1 | | |
| | Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures. | Non-compliant | | Due to non-operation, the company is under care and maintenance and maintains a skeletal workforce at the mine site. |
| 2. | Company has policies and practices on health, safety and welfare of its employees. | Compliant | http://unitedparagon.com/wp- content/uploads/2017/06/UPM-SEC-Form- ACGR-2017-May302017.pdf https://www.unitedparagon.com/corporat e-governance.html | |
| 3. | practices on training and development of its employees. | Compliant | https://www.unitedparagon.com/corporat e-governance.html | |
| Recom | mendation 15.2 | | | |
| 1. | Board sets the tone and makes a stand against corrupt practices by | Compliant | Please see the Corporation's Amended Manual on Corporate Governance as | |

| | adopting an anti-corruption policy and program in its Code of Conduct. | | adopted by the Board on May 2017 and ACGR 2016. http://unitedparagon.com/wp-content/uploads/2017/06/UPM-Amended-Corporate-Governance-Manual-May312017.pdf http://unitedparagon.com/wp-content/uploads/2017/06/UPM-SEC-Form-ACGR-2017-May302017.pdf https://www.unitedparagon.com/corporat | |
|--------|--|---------------|--|--|
| 2. | Board disseminates the | Non-compliant | <u>e-governance.html</u> | Due to non-operation, the company is |
| | policy and program to | · | | under care and maintenance and maintains |
| | employees across the | | | a skeletal workforce at the mine site. |
| | organization through | | | |
| | trainings to embed them in | | | |
| | the company's culture. | | | |
| Supple | ment to Recommendation 15. | 2 | | |
| 1. | Company has clear and | Compliant | Please refer to Supplement to | |
| | policies and procedures on | | Recommendation 7.1 | |
| | curbing and penalizing | | | |
| | employee involvement in | | There has been no finding of violation of | |
| | offering, paying and | | this policy. | |
| _ | receiving bribes. | | | |
| | mendation 15.3 | | | |
| 1. | | Compliant | https://www.unitedparagon.com/corporat | |
| | framework, for | | e-governance.html | |
| | whistleblowing that allows | | | |

| ì | employees to freely | |
|----|------------------------------|-----------|
| | communicate their concerns | |
| | about illegal or unethical | |
| | practices, without fear of | |
| | retaliation | |
| 2. | Board establishes a suitable | Compliant |
| | 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. | |
| 3. | Board supervises and | Compliant |
| | ensures the enforcement of | |
| | the whistleblowing | |
| | framework. | |

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.

| Recon | Recommendation 16.1 | | | | |
|-------|---|-----------|--|--|--|
| 1. | Company recognizes and places importance on the | Compliant | Please see the Corporate Social Responsibility uploaded in the company's | | |
| | interdependences between | | website | | |
| | business and society, and | | Website | | |
| | promotes a mutually | | | | |
| | beneficially relationship that | | | | |
| | allows the company to grow | | | | |
| | its business, while | | | | |
| | contributing to the | | | | |

| Option | advancement of the society where it operates. nal: Principle 16 | | | |
|--------|--|-----------|--|--|
| 1. | Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development | Compliant | Please see the Company's Corporate Social Responsibility available at the website. https://www.unitedparagon.com/corporate-governance.html | |
| 2. | Company exerts effort to interact positively with the communities in which it operates. | Compliant | | |

Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Mandaluyong City on 111 2 9 202, 2020.

SIGNATURES

Alfredo C. Ramos

Chairman of the Board

Gerard Anton S. Ramos

President & Chief Executive Officer

Iris Marie U. Carpio-Duque

Compliance Officer/Corporate Secretary

John Peter C. Hager

Independent Director

Renato C. Valencia

Independent Director

NAME

Alfredo C. Ramos Gerard Anton S. Ramos Iris Marie U. Carpio-Duque Renato C. Valencia John Peter C. Hager

Doc No. 137
Page No. 29
Book No. 61
Series of 2021.

ID No.

Passport No. P6389443B Passport No. P7752563A Passport No. P4323180A Passport No. P6487147A DL No. N03-86-033820 DATE OF ISSUED/PLACE OF ISSUE

26 February 2021 / DFA NCR East June 30, 2018/DFA NCR South Sep. 11, 2017/DFA NCR East March 20, 2018 / DFA NCR South valid until September 14, 2023

ATTY. JAMES ABUGAN
NOTARY FUBLIC
APPT. NO. 0442-19
Until 06/30/2021

IBP No. 134105 Dec. 9, 2020 Rizal Chapter Roll No. 26800 Lifetime MCLE No. VI-0012875 :mil 4/14/2022 TIN No. 116-239-956 PTR No. 4674511 01/04/2024

PTR No. 4674511 01/04/2021 Tel. No. 631-40-90 Rm. 314 J&B Bidg., 251 EDSA, Mandahuyong Chy

United Paragon Mining Corporation
Integrated Annual Corporate Governance Report 2020