

**SECURITIES AND EXCHANGE COMMISSION SEC  
FORM CG – 2020**

**CERTIFICATE**

I, **CARINA LENORE S. BAYON**, of legal age, and with office address at Km. 29 National Road, Tunasan, Muntinlupa City, Metro Manila, Philippines, after being sworn to in accordance with law, hereby depose and state that:

1. I am the incumbent Vice-President for Legal & Government Affairs and Chief Compliance Officer of Pepsi-Cola Products Philippines, Inc. (the "Company"), a corporation duly organized and existing in accordance with the laws of the Republic of the Philippines, with principal office address at Km. 29 National Road, Tunasan, Muntinlupa City, Metro Manila, Philippines.

2. The Company was a publicly-listed company until 18 December 2020, when the Philippine Stock Exchange ("PSE") approved and made effective the voluntary delisting of the Company's shares from the PSE Main Board. As such, the Company's Manual on Corporate Governance ("CG Manual") was modeled from the recommendations under Securities and Exchange Commission ("SEC") Memorandum Circular No. 19, Series of 2016, otherwise known as the Code of Corporate Governance for Publicly-Listed Companies (CG Code for PLCs), and its latest CG Manual, approved on 13 May 2020 and submitted to the SEC on 18 June 2020, substantially adopted the recommendations under the CG Code for PLCs. The Company notes that the recommendations under SEC Memorandum Circular No. 24, Series of 2019, otherwise known as the Code of Corporate Governance for Public Companies and Registered Issuers ("CG Code for PCs and RIs"), are substantially similar to the recommendations under the CG Code for PLCs.

3. The Company, now being a public company and registered issuer, hereby submits this Certificate with the attached **Annex A** setting out its compliance with the recommendations under the CG Code for PCs and RIs.

4. I am issuing this Certificate in compliance with SEC Memorandum Circular No. 36, Series of 2020, on the annual reporting of the Company's compliance with the CG Code for PCs and RIs.

IN WITNESS WHEREOF, I have signed this Certificate this 28 JAN 2021 at **MAKATI** Philippines.



**Carina Lenore S. Bayon**  
Compliance Officer

Countersigned by:



**Frederick D. Ong**  
President and Chief Executive Officer

28 JAN 2021

**SUBSCRIBED AND SWORN TO** before me this \_\_\_\_\_, at **MAKATI**, Philippines, affiant exhibiting to me his/her competent evidence of identity bearing his/her signature and photograph, issued on \_\_\_\_\_, at \_\_\_\_\_ and valid until 2022/10/14.

*DL No. N03-86-026443*

**WITNESS** my hand and notarial seal on the date and place above written.

**NOTARY PUBLIC**

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**CECILLE DIANE D.J. MANGASER**  
Notary Public for Makati City  
Appointment No. M-32 until December 31, 2022  
Roll of Attorney No. 75470  
PTR No. 8534673; 1/5/2021; Makati City  
IBP No. 139534; 1/6/2021; Makati Chapter  
30th Floor 88 Corporate Center  
Sedeño corner Valero Streets  
Salcedo Village, Makati City 1227

ANNEX A

Recommendation	Explanation
<p><b>Recommendation 3.2</b>                      The Board should establish an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations. The committee should be composed of at least three (3) appropriately qualified nonexecutive directors, the majority of whom, including the Chairperson, should be independent directors. All of the members of the committee must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance. The Chairperson of the Audit Committee should not be the Chairperson of the Board or of any other committees.</p>	<p>Under the Company's 2020 Manual on Corporate Governance, and the Charter of the Audit Committee, only two out of four members of the Audit Committee are independent directors because the Company only has two independent directors. The other members of the Audit Committee are non-executive directors. The composition of the Audit Committee was determined by the Company on the basis of its the structure, size, risk profile, and nature of its operations.</p>
<p><b>Recommendation 3.3</b>                      The Board should establish a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to the Nomination and Remuneration Committee. It should be composed of at least three (3) directors, majority of whom should be independent directors, including the Chairperson.</p>	<p>Under the Company's 2020 Manual on Corporate Governance, and the Charter of the Nomination and Governance Committee, the Nomination and Governance Committee which is tasked with the responsibilities of a Corporate Governance Committee under the CG Code for PCs and RIs, has three members composed of two non-executive directors and one independent director, who serves as the Chairman.. The composition of the Nomination and Governance Committee was determined by the Company on the basis of its the structure, size, risk profile, and nature of its operations.</p>
<p><b>Recommendation 3.4</b>                      Subject to a corporation's size, risk profile, nature and complexity of operations, the Board should establish a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management System to ensure its functionality and effectiveness. The BROC should be composed of at least three (3) directors, the majority of whom should be independent directors, including the Chairperson. At least one member of the committee must have relevant thorough</p>	<p>Under the Company's 2020 Manual on Corporate Governance, and the Charter of the Audit Committee, the Audit Committee is responsible for risk oversight, and the Corporation has determined that there is no need to establish a separate BROC considering the Corporation's structure, size, risk profile, and nature of its operations.</p>

Recommendation	Explanation
<p>knowledge and experience on risk and risk management.</p>	
<p><b>Recommendation 5.2</b>            The Board should have at least two (2) independent directors, or such number as to constitute at least one-third of the members of the Board, whichever is higher.</p>	<p>Consistent with the Revised Corporation Code, the Company's 2020 Manual on Corporate Governance, and the Charter of the Board of Directors, the Board, comprised of nine directors, has two independent directors and, six non-executive directors. The composition of the Board of Directors was determined by the Company on the basis of its the structure, size, risk profile, and nature of its operations.</p> <p>The independent directors and non-executive directors collectively assure objective and independent judgment on matters brought to the Board for decision, providing the necessary checks and balances.</p>
<p><b>Recommendation 5.6</b>            The Board should designate a lead director among the independent directors if the Chairperson of the Board is not independent, including if the positions of the Chairperson of the Board and Chief Executive Officer or its equivalent are held by one person.</p>	<p><b>Not applicable.</b></p>
<p><b>Recommendation 8.4</b>            The company should disclose all relevant information on its corporate governance policies and practices in the Annual Corporate Governance Report, which should be which should be submitted to the Commission, and continuously updated and posted on the company's website.</p>	<p>The Company submitted its Integrated-Annual Corporate Governance Report for the year 2019 on 30 July 2020. For the year 2020, it is submitting this Certificate of Compliance in accordance with SEC Memorandum Circular No. 36, Series of 2020.</p>