



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **December 31, 2022**
2. SEC Identification Number CS2005-12264
3. BIR Tax Identification No. 239-954-237
4. Exact name of issuer as specified in its charter **ALFM EURO BOND FUND, INC. ("ALFM EURO")**
5. **METRO MANILA, PHILIPPINES**
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. **19/F, BPI BUENDIA CENTER, SEN. GIL J. PUYAT AVE., MAKATI CITY** **1209**
Address of principal office Postal Code
8. **(632) 8580-0900**
Issuer's telephone number, including area code
9. **N/A**
Former name, former address, and former fiscal year, if changed since last report.

ANNUAL CORPORATE GOVERNANCE REPORT FOR PUBLIC COMPANIES AND REGISTERED ISSUERS

RECOMMENDATION	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
THE BOARD'S GOVERNANCE RESPONSIBILITIES			
Principle 1. ESTABLISHING A COMPETENT BOARD			
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 growth in a manner consistent with its corporate objectives and the long-term best interests of its shareholders/members and other stakeholders.			
Recommendation 1.1			
1	COMPLIANT	<p><i>Provide information or link/reference to a document containing information on the following:</i></p> <p>1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors.</p> <p>2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance.</p> <p>As of December 31, 2022, the Directors are the following:</p> <ol style="list-style-type: none"> 1. Romeo L. Bernardo 2. Simon R. Paterno 3. Adelbert A. Legasto 4. Raymund Martin T. Miranda 5. Mario Antonio V. Paner <p>Their qualifications showing their individual competence and appropriate mix of relevant expertise is detailed in:</p> <ul style="list-style-type: none"> • Annex 1 – SEC 17-A, Page 10 • Annex 2 – Manual of Corporate Governance (“MOCG”), Page 4-7 <p>These directors remained qualified during the 2022 term.</p>	<p>We are formally submitting the accomplished Annual Corporate Governance Report for your reference. However, we would like to seek clarification on whether this document is a mandatory requirement for the Company. If it is not, please kindly disregard it and inform us accordingly.</p>
2	COMPLIANT		
3	COMPLIANT		
<p>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.</p>			
Recommendation 1.2			
1	COMPLIANT	<p><i>Provide information or reference to a document containing information of the Chairperson, including his/her name, qualifications, and expertise.</i></p>	

			<p>The chairperson during the 2022 term was Romeo L. Bernardo.</p> <p>His qualification showing his competence is detailed in:</p> <ul style="list-style-type: none"> Annex 1 – SEC 17-A, Page 10
Recommendation 1.3			
1	The company provides a policy on training of directors.	COMPLIANT	<p><i>Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.</i></p> <p>Please refer to:</p> <ul style="list-style-type: none"> Annex 2 – MOCG, Page 12
2	The company has an orientation program for first-time directors.	COMPLIANT	<p><i>Provide information or link/reference to a document containing information of the orientation program and trainings of directors for the covered year, including the number of hours attended and topics covered.</i></p> <p>For the orientation program, please refer to:</p> <ul style="list-style-type: none"> Annex 2 – MOCG, Page 5
3	The company has relevant annual continuing training for all directors.	COMPLIANT	<p>For the annual continuing training for the directors, please refer to:</p> <ul style="list-style-type: none"> Annex 2 – MOCG, Page 12
Recommendation 1.4			
1	The Board has a policy on board diversity.	COMPLIANT	<p><i>Provide information or link/reference to a document containing the company's board diversity policy.</i></p> <p><i>Indicate gender, age and competence composition of the board.</i></p> <p>Please refer to:</p> <ul style="list-style-type: none"> Annex 2 – MOCG, Page 4
Recommendation 1.5			
1	The Board is assisted by a Corporate Secretary.	COMPLIANT	<p><i>Provide information or link/reference to a document containing information of the Corporate Secretary, including his/her name, qualifications, duties and functions.</i></p> <p>The Board is assisted by Atty. Sabino B. Padilla IV, as Corporate Secretary, who is a separate individual from the Compliance Officer, and is not a member of the Board of Directors. Please refer to:</p> <ul style="list-style-type: none"> Annex 1 – SEC 17-A, Page 14
2	The Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT	
3	The Corporate Secretary is not a member of the Board of Directors.	COMPLIANT	

4	The Corporate Secretary attends annual training/s on corporate governance.	NON-COMPLIANT	Provide information or link/reference to a document containing information of the corporate governance training/s attended, including the date of training, number of hours and topics covered.	The training certificates retrieved by the Corporate Secretary covers attendance in relevant trainings in 2002 and 2013. Moving forward, we will request the latest training certifications of Corporate Secretary.
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Recommendation 1.6

1	The Board is assisted by a Compliance Officer.	COMPLIANT	Provide information or link/reference to a document containing information of the Compliance Officer, including his/her name, position, qualifications, duties and functions.	
2	The Compliance Officer has a rank of Senior Vice-President or an equivalent position with adequate stature and authority in the corporation.	NON-COMPLIANT	The Compliance Officer of 2022 was Meriza R. De Guzman. Considering the size and limited scope of operations of the company, the Manager/Senior Manager officer rank of the Compliance Officer gives him adequate stature and authority. Please refer to:	Considering the size and limited scope of operations of the company, the Manager/Senior Manager officer rank of the Compliance Officer gives him adequate stature and authority.
3	The Compliance Officer is not a member of the board.	COMPLIANT	<ul style="list-style-type: none"> Annex 1 – SEC 17-A, Page 13 	
4	The Compliance Officer attends annual training/s on corporate governance.	COMPLIANT	Provide information or link/reference to a document containing information of the corporate governance training/s attended, including the date of the training, number of hours and topics covered. In 2022, the Compliance Officer attended the Ayala Group Corporate Governance training.	

Principle 2. ESTABLISHING CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD

The fiduciary roles, responsibilities, and accountabilities of the Board, as provided under the law, the company's articles of incorporation and bylaws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to shareholders/members and other stakeholders.

Recommendation 2.1

1	The Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company, shareholders and stakeholders.	COMPLIANT	Provide information or reference to a document containing information on how the directors performed their duties (this can include board resolutions and minutes of meetings). This is one of the responsibilities, duties, and functions of the Board. Please refer to:	
			<ul style="list-style-type: none"> Annex 2 – MOCG, Page 4 	

Recommendation 2.2

1	The Board oversees the development and approval of the company's business objectives and strategy.	COMPLIANT	Provide information or link/reference to a document containing information on how the directors performed this function (this can include board resolutions and minutes of meetings).	
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2	The Board oversees and monitors the implementation of the company's business objectives and strategy.	COMPLIANT	<p><i>Indicate frequency of development of business objectives and strategy.</i></p> <p>This is one of the responsibilities, duties, and functions of the Board. Please refer to:</p> <ul style="list-style-type: none"> Annex 2 – MOCG, Page 10
Recommendation 2.3			
1	The Board ensures and adopts an effective succession planning program for directors, key officers and management.	NON-COMPLIANT	<p><i>Disclose and provide information or link/reference to a document containing the company's succession planning policies and programs and its implementation.</i></p> <p>In line with the Company's continuous improvement efforts, the policies on succession planning and retirement of the directors will be included in the MOCG.</p>
2	The Board adopts a policy for the retirement of directors and key officers.	NON-COMPLIANT	
Recommendation 2.4			
1	The Board aligns the remuneration of key officers and board members with the long-term interests of the company.	COMPLIANT	<p><i>Provide information or link/reference to a document containing the company's remuneration policy and its implementation, including the relationship between remuneration and performance.</i></p> <p>The recommendations are reflected in the MOCG. Please refer to:</p> <ul style="list-style-type: none"> Annex 2 – MOCG, Page 13
2	The Board adopts a policy specifying the relationship between remuneration and performance.	COMPLIANT	
3	The Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT	
Recommendation 2.5			
1	The Board has a formal and transparent board nomination and election policy.	COMPLIANT	<p><i>Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the candidates are shortlisted and how it encourages nominations from shareholders.</i></p> <p><i>Provide proof if minority shareholders have a right to nominate candidates to the board.</i></p> <p><i>Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.</i></p> <p>For the Board nomination and election policy, please refer to:</p> <ul style="list-style-type: none"> Annex 2 – MOCG, Pages 9, 26, 27 and 28 <p>The above policy outlines the process for accepting nominations from shareholders and conducting a board review of the qualifications of nominees.</p>
2	The Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT	
3	The Board nomination and election policy includes how the company accepted nominations from shareholders/members.	COMPLIANT	
4	The Board nomination and election policy includes how the board reviews the qualifications of nominated candidates.	COMPLIANT	
5	The Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement/removal of a director.	COMPLIANT	
6	The Board has a process for identifying the quality of directors/trustees that is aligned with the strategic direction of the company.	COMPLIANT	

			Additionally, the policy includes an assessment of the effectiveness of relevant Board processes, with a focus on ensuring the quality of directors aligns with the company's strategic direction.
Recommendation 2.6			
1	The Board has overall responsibility in ensuring that there is a policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	<i>Provide information or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs.</i>
2	The RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT	<i>Identify transactions that were approved pursuant to the policy.</i> The policy on Related Policy Transactions (RPT) can be found on: <ul style="list-style-type: none"> Annex 2, MOCG, Page 20
Recommendation 2.7			
1	The Board is primarily responsible for approving the selection of Management, led by the Chief Executive Officer (CEO) or his/her equivalent, and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive, as may be applicable).	COMPLIANT	<i>Provide information or reference to a document containing the Board's policy on approving the selection of management.</i> <i>Identify the Management team appointed.</i> The Board's responsibility to approve the selection of the management is found in the following: <ul style="list-style-type: none"> Annex 2 – MOCG, Page 11
2	The Board is primarily responsible for assessing the performance of Management, led by the CEO or his/her equivalent and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive, as may be applicable).	COMPLIANT	<i>Provide information or reference to a document containing the Board's policy on assessing the performance of management.</i> <i>Provide information on the assessment process and indicate frequency of assessment of performance.</i> The Board's responsibility to assess the performance of the management is found in the following: <ul style="list-style-type: none"> Annex 2 – MOCG, Page 11
Recommendation 2.8			
1	The Board establishes an effective performance evaluation framework that includes a standard or criteria for assessment and ensures that Management's performance is on par with the standards set by the Board and Senior Management.	NON-COMPLIANT	<i>Provide information or link/reference to a document containing the Board's performance evaluation framework for management and personnel.</i> Moving forward, the company will implement a system for regularly assessing the performance of the Board, in accordance with best practices and applicable laws and

2	The Board establishes an effective performance evaluation framework that includes a standard or criteria for assessment and ensures that personnel's performance is on par with the standards set by the Board and Senior Management.	NON-COMPLIANT		regulations. The specific details of this system will be developed and communicated to all relevant stakeholders as part of the ongoing review and improvement of our corporate governance framework.
Recommendation 2.9				
1	The Board ensures that an appropriate internal control system is in place.	COMPLIANT	<i>Provide information or link/reference to a document showing the Board's responsibility in ensuring that an appropriate internal control system is in place, and what comprises the internal control system.</i>	
2	The internal control system includes a mechanism for monitoring and managing potential/actual conflicts of interest of the board members/trustees, management and shareholders/members.	COMPLIANT	The responsibility of the Board to ensure that internal control system is in place and include a mechanism for monitoring and managing conflicts of interest of the Board members, management, and shareholders is in the following: <ul style="list-style-type: none"> Annex 2 – MOCG, Page 12 	
3	The Board adopts an Internal Audit Charter.	COMPLIANT	<i>Provide reference or link to the company's Internal Audit Charter.</i> <p>The Audit Committee is responsible to ensure a reliable and strong Internal Audit Control system with the duly-appointed/registered investment managers own internal corporate set up. Please refer to:</p> <ul style="list-style-type: none"> Annex 2 – MOCG, Page 15 	Due to the size and limited scope of internal audit function at the fund, adoption of the Internal Audit Charter is not applicable.
Recommendation 2.10				
1	The Board ensures that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	COMPLIANT	<i>Provide information or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.</i>	
2	The risk management framework guides the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	COMPLIANT	<i>Provide proof of effectiveness of risk management strategies, if any.</i> <p>The MOCG specifies that the Board is responsible for implementing an Enterprise Risk Management (ERM) framework that enables the identification of risk exposures at both the unit and enterprise level, as well as the evaluation of risk management strategies for their effectiveness. Please refer to:</p> <ul style="list-style-type: none"> Annex 2 – MOCG, Page 19 	
Recommendation 2.11				

1	The Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	COMPLIANT	Provide link to the company's website where the Board Charter is disclosed and/or other proof that it is publicly available.	
2	The Board Charter serves as a guide to the directors/trustees in the performance of their functions.	COMPLIANT	The responsibilities, duties, and functions of the Directors are set out in the MOCG. Please refer to: <ul style="list-style-type: none"> Annex 2 – MOCG, Page 10 	Moving forward, the copy of MOCG will be posted on our website.
3	The Board Charter is publicly available.	NON-COMPLIANT		

Principle 3. ESTABLISHING BOARD COMMITTEES

The board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, compliance and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all the board committees should be contained in their respective board committee charters.

Recommendation 3.1

1	The Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	COMPLIANT	Provide information or link/reference to a document containing information of all board committees established by the company. Please refer to: <ul style="list-style-type: none"> Annex 2 – MOCG, Page 14 	
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Recommendation 3.2

1	The Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	COMPLIANT	Provide information or link/reference to a document containing information of the Audit Committee, including its functions. Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor. The responsibilities, duties, and functions of the Audit Committee are set out in the following: <ul style="list-style-type: none"> Annex 2 – MOCG, Page 15 	
2	The Audit Committee is composed of at least three (3) qualified non-executive directors, the majority of whom, including the Chairperson, are independent directors.	COMPLIANT	Provide information or link/reference to a document containing information of the members of the Audit Committee, including their qualifications and type of directorship.	
3	All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	COMPLIANT	Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.	
4	The Chairperson of the Audit Committee is not the Chairperson of the Board or of any other committee.	COMPLIANT	Provide information or link/reference to a document containing information of the Chairperson of the Audit Committee.	

			Please refer to: <ul style="list-style-type: none"> Annex 1 – SEC 17-A, Page 10 	
Recommendation 3.3				
1	The Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	NON-COMPLIANT	Provide information or reference to a document containing information of the Corporate Governance Committee, including its functions. Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.	While this is provided in the MOCG (page 17), the establishment of the Corporate Governance Committee is currently under evaluation, considering the size and limited scope function of the company.
2	The Corporate Governance Committee is composed of at least three (3) members, majority of whom, including the Chairperson, should be independent directors.	NON-COMPLIANT	Provide information or link/reference to a document containing information of the members of the Corporate Governance Committee, including their qualifications and type of directorship.	
Recommendation 3.4				
1	The Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	NON-COMPLIANT	Provide information or link/reference to a document containing information of the Board Risk Oversight Committee (BROC), including its functions	While this is provided in the MOCG (page 19), the establishment of the Board Risk Oversight Committee is currently under evaluation, considering the size and limited scope function of the company.
2	The BROC is composed of at least three (3) members, the majority of whom should be independent directors, including the Chairperson.	NON-COMPLIANT	Provide information or link/reference to a document containing information of the members of the BROC, including their qualifications and type of directorship.	
3	At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	NON-COMPLIANT	Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.	
Recommendation 3.5				
1	All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	COMPLIANT	Provide information or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.	
2	The Committee Charters provide standards for evaluating the performance of a committee and its members.	COMPLIANT	The duties and responsibilities of the Audit Committee is in the MOCG. Please refer to: <ul style="list-style-type: none"> Annex 2 – MOCG, Page 15 	
Principle 4. FOSTERING COMMITMENT				
To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.				
Recommendation 4.1				

1	The Directors attend and actively participate in all meetings of the Board, Committees and shareholders/members in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	COMPLIANT	<p><i>Provide information or link/reference to a document containing the process and procedure for tele/videoconferencing board and/or committee meetings.</i></p> <p><i>Provide information or link/reference to a document containing the attendance and participation of directors to Board, Committee and shareholders' meetings.</i></p> <p>The process and procedure of Board, Committee and shareholder meetings are set out in the MOCG. Please refer to:</p> <ul style="list-style-type: none"> Annex 2 – MOCG, Pages 13 and 28 <p>For 2022, Board meetings were held in February, June and December 2022 while the Audit Committee met once to approve the audited Financial Statement. The meetings were conducted online and all directors attended the aforementioned meetings.</p>
2	The Directors review meeting materials for all Board and Committee meetings.	COMPLIANT	<p><i>Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors</i></p> <p>Please refer to:</p> <ul style="list-style-type: none"> Annex 2 – MOCG, Page 13
3	The Directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	COMPLIANT	<p><i>Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors</i></p> <p>Please refer to:</p> <ul style="list-style-type: none"> Annex 2 – MOCG, Page 13
Recommendation 4.2			
1	Non-executive directors concurrently serve in not more than ten (10) public companies and/or registered issuers. If concurrently sitting in at least three (3) publicly listed companies, the maximum concurrent directorships shall be five (5) public companies and/or registered issuers.	COMPLIANT	<p><i>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</i></p> <p><i>Provide information or reference to a document containing information on the directorships of the company's directors in listed companies, registered issuers and public companies.</i></p> <p>Non-executive directors are compliant with the maximum concurrent directorships in public companies and/or registered issuers. Please refer to:</p> <ul style="list-style-type: none"> Annex 1 – SEC 17-A, Page 10
Recommendation 4.3			
1	The Directors notify the company's board before accepting a directorship in another company.	COMPLIANT	<p><i>Provide copy of/reference to the written notification to the board or minutes of board meeting wherein the matter was discussed.</i></p>

Please refer to:

- Annex 2 – MOCG, Page 12

Principle 5. REINFORCING BOARD INDEPENDENCE

The Board should endeavor to exercise an objective and independent judgment on all corporate affairs.

Recommendation 5.1

1	The Board is composed of a majority of non-executive directors who possess the necessary qualifications.	COMPLIANT	<p><i>Identify or provide link/reference to a document identifying the directors, the type of their directorships and their qualifications.</i></p> <p>The Board is composed of two (2) non-executive directors.</p> <ul style="list-style-type: none"> Adelbert A. Legasto Romeo L. Bernardo <p>Please refer to:</p> <ul style="list-style-type: none"> Annex 1 – SEC 17-A, Page 11 	
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Recommendation 5.2

1	The Board has at least two (2) independent directors or such number as to constitute one-third (1/3) of the board, whichever is higher.	COMPLIANT	<p><i>Provide information or link/reference to a document containing the number of independent directors in the board.</i></p> <p>The Board has two (2) independent directors.</p> <ul style="list-style-type: none"> Mario Antonio V. Paner Raymund Martin T. Miranda <p>Please refer to:</p> <ul style="list-style-type: none"> Annex 1 – SEC 17-A, Page 10 	
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Recommendation 5.3

1	The independent directors possess all the qualifications and none of the disqualifications to hold the position.	COMPLIANT	<p><i>Provide information or link/reference to a document containing the qualifications of independent directors.</i></p> <p>Please refer to:</p> <ul style="list-style-type: none"> Annex 1 – SEC 17-A, Page 10 	
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Recommendation 5.4

1	The company perpetually bars an independent director from serving in such capacity after the term limit of nine (9) years.	COMPLIANT	<p><i>Provide information or link/reference to a document containing the company's policy on term limits for its independent director.</i></p> <p>The company prohibits independent directors from being reappointed to the same position after the term limit of nine (9) years, ensuring that there</p>	
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			is a rotation of directors and fresh perspectives are brought in. Please refer to: <ul style="list-style-type: none"> Annex 2 – MOCG, Page 7 	
2	In the instance that the company retains an independent director in the same capacity after nine (9) years, the Board provides meritorious justification and seeks shareholders'/members' approval during the annual regular meeting.	COMPLIANT	<p><i>Provide reference to the meritorious justification and proof of shareholders'/members' approval during the annual regular meeting.</i></p> <p>There has been no instance that the Company retained an Independent Director after nine (9) years.</p>	
Recommendation 5.5				
1	The positions of Chairperson of the Board and Chief Executive Officer (or its equivalent) are held by separate individuals.	COMPLIANT	<p><i>Identify the company's Chairperson of the Board and Chief Executive Officer (or its equivalent).</i></p> <p>The Chairperson of the Board in 2022 is Mr. Romeo L. Bernardo and the President is Mr. Simon R. Paterno. Please refer to: <ul style="list-style-type: none"> Annex 1 – SEC 17-A, page 10 </p>	
2	The Chairperson of the Board and Chief Executive Officer (or its equivalent) have clearly defined responsibilities.	COMPLIANT	<p><i>Provide information or link/reference to a document containing the roles and responsibilities of the Chairperson of the Board and Chief Executive Officer (or its equivalent). Identify the relationship of the Chairperson and CEO.</i></p> <p>The duties and responsibilities of the chairperson and Chief Executive Officer/President are on: <ul style="list-style-type: none"> Annex 2 – MOCG, page 5 </p>	
Recommendation 5.6				
1	The Board designates a lead director among the independent directors if the Chairperson of the Board is not an independent director.	NON- COMPLIANT	<p><i>Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any. Indicate if Chairperson is an independent director.</i></p>	<p>Under the MOCG, a Lead Independent Director is appointed only if the Chair and the CEO are the same person. Please refer to: <ul style="list-style-type: none"> Annex 2 – MOCG, Page 5 </p>
Recommendation 5.7				
1	The Directors/Trustees with material interest in a transaction affecting the corporation fully disclose his/her adverse interest, abstain from taking part in the deliberations for the same, and recuse from voting on the approval of transaction.	COMPLIANT	<p><i>Provide proof of full disclosure and abstention, if any, of the interested director/trustee.</i></p> <p>The Directors are required to abstain from transactions in which he has adverse interest. Please refer to: <ul style="list-style-type: none"> Annex 2 – MOCG, Page 12 </p>	
Recommendation 5.8				

1	The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance, and risk functions, without any executive directors present.	COMPLIANT	<i>Provide proof and details of said meeting, if any. Provide information on the frequency and attendees of meetings.</i>	
2	The meetings are chaired by the lead independent director, if applicable.	NON-COMPLIANT	Please refer to: <ul style="list-style-type: none"> Annex 2 – MOCG, Page 12 The appointment of the lead independent director is not applicable to the company.	Designation on the lead independent director will be discussed and implemented moving forward.

Principle 6. ASSESSING BOARD PERFORMANCE

The best measure of the Board’s effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.

Recommendation 6.1

1	The Board conducts an annual self-assessment of its performance as a whole.	NON-COMPLIANT	<i>Provide proof of self-assessments conducted by the whole board, the individual members, the Chairperson and the Committees.</i>	Moving forward, the company will implement a system for regularly assessing the performance of the Board, in accordance with best practices and applicable laws and regulations. The specific details of this system will be developed and communicated to all relevant stakeholders as part of the ongoing review and improvement of our corporate governance framework.
2	The Chairperson conducts an annual self-assessment of his performance.	NON-COMPLIANT		
3	The individual members conduct a self-assessment of their performance.	NON-COMPLIANT		
4	Each committee conducts a self-assessment of its performance.	NON-COMPLIANT		

Recommendation 6.2

1	The Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors/trustees and committees.	COMPLIANT	<i>Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders/members.</i>	
2	The system allows for a feedback mechanism from the shareholders/members.	COMPLIANT	Please refer to: <ul style="list-style-type: none"> Annex 2 – MOCG, Page 11 	

Principle 7. STRENGTHENING BOARD ETHICS

The Board directors are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

Recommendation 7.1

1	The Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of board members.	COMPLIANT	<p><i>Provide information or link/reference to the company's Code of Business Conduct and Ethics.</i></p> <p><i>Provide information or discuss how the company disseminated the Code to the members of the Board.</i></p>
2	The Code is properly disseminated to the members of Board.	COMPLIANT	<p>The Code of Business Conduct and Ethics of the Fund Manager/Distributor covers the standards and practices in maintaining the professional and ethical management of the Company.</p> <p>By adhering to the principles and standards set forth in the Code, the Fund Manager/Distributor is able to ensure that the Company's business is conducted with the highest level of integrity and in accordance with the best interests of the Company and its stakeholders. This not only helps to establish trust and confidence among shareholders, clients, and other stakeholders, but also helps to foster a culture of ethical behavior within the organization.</p>
3	The Code is disclosed and made available to the public through the company website.	NON-COMPLIANT	<p><i>Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/disclosed.</i></p>
Recommendation 7.2			
1	The Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT	<p><i>Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics.</i></p> <p><i>Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.</i></p> <p>The Code of Business Conduct and Ethics of the Fund Manager/Distributor covers the standards and practices in maintaining the professional and ethical management of the Company.</p>

By adhering to the principles and standards set forth in the Code, the Fund Manager/Distributor is able to ensure that the Company's business is conducted with the highest level of integrity and in accordance with the best interests of the Company and its stakeholders. This not only helps to establish trust and confidence among shareholders, clients, and other stakeholders, but also helps to foster a culture of ethical behavior within the organization.

DISCLOSURE AND TRANSPARENCY

Principle 8. ENHANCING COMPANY DISCLOSURE POLICIES AND PROCEDURES

The Board should establish corporate disclosure policies and procedures that are practical and in accordance with generally accepted best practices and regulatory expectations.

Recommendation 8.1

1	The Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders/members and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	COMPLIANT	<p><i>Provide information or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders/members and other stockholders.</i></p> <p>Please refer to:</p> <ul style="list-style-type: none"> • Annex 2 – MOCG, Page 25
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Recommendation 8.2

1	The company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within five (5) business days.	COMPLIANT	<p><i>Provide information or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's shares.</i></p>
2	The company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within five (5) business days.	COMPLIANT	<p><i>Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.</i></p> <p>Please refer to:</p> <ul style="list-style-type: none"> • Annex 2 – MOCG, Page 25

Recommendation 8.3

1	The company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	<p><i>Provide link to the company's website where the Manual on Corporate Governance is posted.</i></p>
2	The company's MCG is submitted to the SEC.	COMPLIANT	The copy of the Manual on Corporate Governance is attached in this document. Please refer to:

3	The company's MCG is posted on the company website.	NON-COMPLIANT	<ul style="list-style-type: none"> Annex 2 – MOCG 	The copy of MOCG is currently categorized as for internal use only.
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Recommendation 8.4

1	The company's corporate governance policies and practices and all relevant information are disclosed in its Annual Corporate Governance Report (ACGR).	NON-COMPLIANT	<i>Provide link to the company's website where the Annual Corporate Governance Report is posted.</i>	Currently, the ACGR is not posted on our website, but moving forward, the Company will ensure that a copy of the report is made available on the website for the stakeholder's reference.
2	The company's ACGR is submitted to the SEC.	NON-COMPLIANT		
3	The company's ACGR is posted on the company website.	NON-COMPLIANT		

Principle 9. STRENGTHENING EXTERNAL AUDITOR'S INDEPENDENCE AND IMPROVING AUDIT QUALITY

The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

Recommendation 9.1

1	The Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of external auditors.	COMPLIANT	<i>Provide information or link/reference to a document containing the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.</i> Please refer to: <ul style="list-style-type: none"> Annex 1 – SEC 17-A, Page 10 Annex 2 – MOCG, Page 22 	
2	The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and the shareholders/members.	COMPLIANT	<i>Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.</i> Please refer to: <ul style="list-style-type: none"> Annex 1 – SEC 17-A, Page 10 	
3	For the removal of external auditor, the reasons for such removal or change are disclosed to the SEC, the shareholders/members, and the public through the company website and required disclosures.	COMPLIANT	<i>Provide information or link/reference to a document containing the company's reason for removal or change of external auditor.</i> Please refer to: <ul style="list-style-type: none"> Annex 2 – MOCG, Page 16 	

Recommendation 9.2

1	The Audit Committee Charter includes the Audit Committee's responsibility on: i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.	COMPLIANT	Provide link/reference to the company's Audit Committee Charter. The duties and responsibilities of the Audit Committee are in MOCG. Please refer to: • Annex 2 – MOCG, Page 15
2	The Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	COMPLIANT	

Recommendation 9.3

1	The company discloses the nature of non-audit services performed by its external auditor in the Annual Report to manage potential conflict of interest cases.	COMPLIANT	Disclose the nature of non-audit services performed by the external auditor, if any. The Company did not engage the external auditor for other services. Please refer to: • Annex 1, SEC 17-A, Page 10
2	The Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	COMPLIANT	Provide link or reference to guidelines or policies on non-audit services. Please refer to: • Annex 2, MOCG, Page 22

Principle 10. INCREASING FOCUS ON NON-FINANCIAL AND SUSTAINABILITY REPORTING

The Board should ensure that the company discloses material and reportable non-financial and sustainability issues.

Recommendation 10.1

1	The Board has a clear and focused strategy on the disclosure of non-financial information.	NON-COMPLIANT	Disclose or provide link to the company's policies and practices on the disclosure of non-financial information, including EESG issues.	At present, we do not have any disclosure regarding the management of EESG issues. However, the Company acknowledges its importance and potential impact on our stakeholders. Moving forward, the Company is committed to assessing the relevance/applicability of a framework for the management of
2	The company discloses to all shareholders/members and other stakeholders the company's strategic and operational objectives with emphasis on the management of environmental, economic, social and governance (EESG) issues of its business which underpin sustainability.	NON-COMPLIANT	Provide link or reference to the company's disclosure of strategic and operational objectives, with emphasis on EESG matters.	

EESG issues and to provide transparent disclosure in our future reports and communications.

Principle 11. PROMOTING A COMPREHENSIVE AND COST-EFFICIENT ACCESS TO RELEVANT INFORMATION

The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for an informed decision-making by investors, stakeholders and other interested users.

Recommendation 11.1

1	The company has a website to ensure a comprehensive, cost-efficient, transparent and timely manner of disseminating relevant information to the public.	COMPLIANT	<p><i>Provide link to the company's website.</i></p> <p>Please refer to:</p> <ul style="list-style-type: none"> • https://www.alfmmutualfunds.com/ 	
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INTERNAL CONTROL AND RISK MANAGEMENT FRAMEWORKS

Principle 12. STRENGTHENING INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management system.

Recommendation 12.1

1	The company has an adequate and effective internal control system in the conduct of its business.	COMPLIANT	<p><i>List quality service programs for the internal audit functions.</i></p> <p><i>Indicate frequency of review of the internal control system.</i></p> <p>The business of the Company is conducted mainly by the Fund Manager/Distributor, who have adequate internal control systems. For the internal control systems of the Fund Manager (BIMI), please refer to:</p> <ul style="list-style-type: none"> • https://www.alfmmutualfunds.com/file-library 	
2	The company has an adequate and effective enterprise risk management framework in the conduct of its business.	COMPLIANT	<p><i>Identify international framework used for Enterprise Risk Management.</i></p> <p><i>Provide information or reference to a document containing information on:</i></p> <ol style="list-style-type: none"> <i>1. Company's risk management procedures and processes.</i> <i>2. Key risks the company is currently facing.</i> <i>3. How the company manages the key risks.</i> <p><i>Indicate frequency of review of the enterprise risk management framework.</i></p>	

			<p>The business of the Company is conducted mainly by the Fund Manager/Distributor, who have adequate Enterprise Risk Management Framework. For the internal control systems of the Fund Manager (BIMI), please refer to:</p> <ul style="list-style-type: none"> • https://www.alfmmutualfunds.com/file-library
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Recommendation 12.2

1	The company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	COMPLIANT	<p><i>Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm hired.</i></p> <p>The Company has engaged an external auditor which has issued an unqualified audit opinion for 2022. Please refer to:</p> <ul style="list-style-type: none"> • Annex 1 – SEC 17-A
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CULTIVATING A SYNERGIC RELATIONSHIP WITH SHAREHOLDERS/MEMBERS

Principle 13. PROMOTING SHAREHOLDER/MEMBER RIGHTS

The company should treat all shareholders/members fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.

Recommendation 13.1

1	The Board ensures that basic shareholder/member rights are disclosed in the Manual on Corporate Governance.	COMPLIANT	<p><i>Provide link or reference to the company's Manual on Corporate Governance where shareholders'/members' rights are disclosed.</i></p> <p>Please refer to:</p> <ul style="list-style-type: none"> • Annex 2 – MOCG, Page 26
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Recommendation 13.2

1	The Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders'/Members' Meeting with sufficient and relevant information at least twenty-one (21) days before the meeting.	COMPLIANT	<p><i>Indicate the number of days before the annual or special stockholders'/members' meeting when the notice and agenda were sent out. Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS).</i></p> <p>The Annual Stockholders Meeting was held on September 30, 2022. The notice and agenda for the Annual Stockholders Meeting are indicated in the Notice to the stockholders.</p> <p>Please refer to:</p> <ul style="list-style-type: none"> • Annex 2 – MOCG, Page 29
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Recommendation 13.3

1	The Board encourages active shareholder/member participation by making the result of the votes taken during the most recent Annual or Special Shareholders'/Members' Meeting publicly available the next working day.	NON-COMPLIANT	<p><i>Provide information or reference to a document containing all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.</i></p>	Moving forward, the Company will publish the minutes of the meeting on the Company website.
2	The minutes of the Annual and Special Shareholders'/Members' Meetings were made available on the company website within five (5) business days from the date of the meeting.	NON-COMPLIANT	<p><i>Provide link to minutes of meeting in the company website.</i></p> <p><i>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.</i></p> <p><i>Indicate also if the voting on resolutions was by poll.</i></p> <p><i>Include whether there was opportunity to ask question and the answers given, if any.</i></p>	<p>To facilitate an organized and efficient Question and Answer portion, attendees were requested to submit their questions, comments, clarifications, and suggestions via email. All questions submitted were addressed during the Q&A portion of the meeting.</p> <p>To cast their votes, stockholders were encouraged to use the Viash system or submit their accomplished voting tickers through email. The preliminary results of the voting tickets were validated on August 13, 2022, and were presented during the Annual Stockholders Meeting. The final results were reflected in the minutes of the meeting.</p>
Recommendation 13.4				
1	The Board makes available, at the option of a shareholder/member, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	COMPLIANT	<p><i>Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes.</i></p> <p><i>Provide link/reference to where it is found in the Manual on Corporate Governance.</i></p> <p>Please refer to:</p> <ul style="list-style-type: none"> Annex 2 – MOCG, Page 28 	
Recommendation 13.5				
1	The Board establishes an Investor Relations Office (IRO) or Customer Relations Office (CRO) or its equivalent to ensure constant engagement with its shareholders/members.	COMPLIANT	<p><i>Disclose the contact details of the officer/office responsible for investor relations, such as:</i></p> <p>The Client Servicing Team for the fund was Marcelo M. Verdillo with the following information:</p> <ul style="list-style-type: none"> 639208618055 mmverdillo@bpi.com.ph 	

2	The IRO or CRO or its equivalent is present at every shareholders'/members' meeting.	COMPLIANT	Indicate if the IRO or CRO or its equivalent was present during the ASM. Mr. Verdillo attended the Annual Stockholder Meeting for this Fund in September 30, 2022.
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DUTIES TO STAKEHOLDERS

Principle 14. RESPECTING RIGHTS OF STAKEHOLDERS AND EFFECTIVE REDRESS FOR VIOLATION OF STAKEHOLDER'S RIGHTS

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	The Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	COMPLIANT	Identify the company's stakeholders and provide information or reference to a document containing the company's policies and programs for its stakeholders. Please refer to: <ul style="list-style-type: none"> Annex 2 – MOCG, Page 29
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Recommendation 14.2

1	The Board establishes clear policies and programs to provide a mechanism on the fair treatment, protection and enforcement of the rights of stakeholders.	COMPLIANT	Identify policies and programs for the protection, fair treatment and enforcement of the rights of the company's stakeholders. Please refer to: <ul style="list-style-type: none"> Annex 2 – MOCG, Page 29
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Principle 15. ENCOURAGING EMPLOYEES' PARTICIPATION

A mechanism for employee participation should be developed to create a symbiotic working environment consistent with the realization of the company's objectives and good corporate governance goals.

Recommendation 15.1

1	The Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	COMPLIANT	Provide information or link/reference to company policies, programs and procedures that encourage employee participation. Due to the Investment Fund's structure, where the Fund does not employ any personnel and all daily transactions are handled by the Fund Manager/Distributor, the policies on employee participation in goals of the Fund Manager/Distributor encompasses the necessary policies.
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Recommendation 15.2

1	The Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Business Conduct and Ethics.	COMPLIANT	<i>Identify or provide link/reference to the company's policies, programs and practices against corruption.</i>	
2	The Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	<i>Identify how the board disseminated the policy and program to the employees across the organization.</i> Due to the Investment Fund's structure, where the Fund does not employ any personnel and all daily transactions are handled by the Fund Manager/Distributor, the Code of Business Conduct and Ethics of the Fund Manager/Distributor encompasses the necessary policies. These policies are regularly communicated to their employees.	

Recommendation 15.3

1	The Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.	NON-COMPLIANT	<i>Disclose or provide link/reference to the company whistleblowing policy and procedure for employees.</i>	Due to the Investment Fund's structure, where the Fund does not employ any personnel and all daily transactions are handled by the Fund Manager/Distributor, the framework for and policies on whistleblowing of Fund Manager/Distributor encompasses the necessary policies.
2	The Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	NON-COMPLIANT	<i>Indicate if the framework includes procedures to protect the employees from retaliation.</i> <i>Provide contact details to report any illegal or unethical behavior.</i>	
3	The Board supervises and ensures the enforcement of the whistleblowing framework.	NON-COMPLIANT	<i>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.</i>	

Principle 16. ENCOURAGING SUSTAINABILITY AND SOCIAL RESPONSIBILITY

The company should be socially responsible in all its dealings with the communities in which it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.


Recommendation 16.1

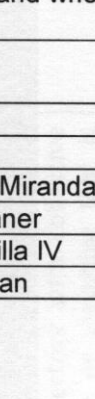
1	The company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	COMPLIANT	<i>Provide information or reference to a document containing the company's community involvement and environment-related programs.</i> Please refer to: <ul style="list-style-type: none"> Annex 2 – MOCG, Page 4 	
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CERTIFICATION

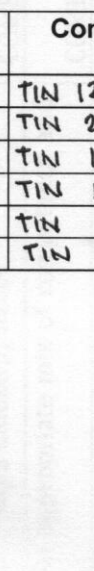
The undersigned certify that the responses and explanations set forth in the above **ALFM Euro Bond Fund, Inc. Integrated Annual Corporate Governance Report** covering 2022 are true, complete and correct of our own personal knowledge and/or based on authentic records.


Signed in the City of City of Manila on the JUN 27 2023 day of _____ 20____.

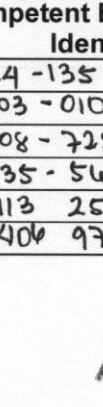

Romeo L. Bernardo
 Chairman of the Board


Simon R. Paterno
 President & CEO


Raymund Martin T. Miranda
 Independent Director


Mario Antonio V. Paner
 Independent Director


Atty. Sabino B. Padilla IV
 Corporate Secretary


Meriza R. De Guzman
 Compliance Officer

SUBSCRIBED AND SWORN to before me this JUN 27 2023 day of 20, by the following who are also personally known to me (or whom I have identified through competent evidence of identity) and who exhibited their respective identification document as follows:

Name	Competent Evidence of Identity	Date/Place Issued
Romeo L. Bernardo	TIN 124-135-087	
Simon R. Paterno	TIN 203-010-472	
Raymund Martin T. Miranda	TIN 108-728-990	
Mario Antonio V. Paner	TIN 135-560-096	
Atty. Sabino B. Padilla IV	TIN 113 255-561	
Meriza R. De Guzman	TIN 406 979-749	

ATTY. HENRY D. ADASA
 NOTARY PUBLIC, CITY OF MANILA

APPOINTMENT 09/12/31/2023 MANILA

IBP NO. 181139 / 01/03/2023

PTR N. 0861145 / 01/03/2023

ROLL NO. 29679, TIN NO. 172-528-620

MCLE COMP. NO. VII-0000165 VALID UNTIL APRIL 14, 2025

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