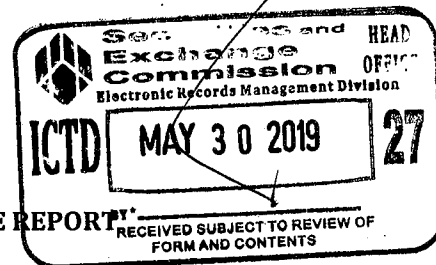




**Securities and
Exchange
Commission**
PHILIPPINES

SEC FORM - I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT¹



GENERAL INSTRUCTIONS

A. Use of Form I-ACGR

This SEC Form shall be used as a tool to disclose Publicly-Listed Companies' compliance/non-compliance with the recommendations provided under the Code of Corporate Governance for Publicly-Listed Companies, which follows the "comply or explain" approach, and for harmonizing the corporate governance reportorial requirements of the SEC and the Philippine Stock Exchange (PSE).

B. Preparation of Report

These general instructions are not to be filed with the report. The report shall contain the numbers and captions of all items.

The I-ACGR has four columns, arranged as follows:

RECOMMENDED CG PRACTICE/POLICY	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<p>Contains CG Practices/ Policies, labelled as follows:</p> <p>(1) "Recommendations" - derived from the CG Code for PLCs;</p> <p>(2) "Supplement to Recommendation" - derived from the PSE CG Guidelines for Listed Companies;</p> <p>(3) "Additional Recommendations" - CG Practices not found in the CG Code for PLCs and PSE CG Guidelines but are expected already of PLCs; and</p> <p>(4) "Optional Recommendation" - practices taken from the ASEAN Corporate Governance Scorecard</p> <p>*Items under (1) - (3) must be answered/disclosed by the PLCs following the "comply or explain" approach. Answering of items under (4) are left to the discretion of PLCs.</p>	<p>The company shall indicate compliance or non-compliance with the recommended practice.</p>	<p>The company shall provide additional information to support their compliance with the recommended CG practice</p>	<p>The PLCs shall provide the explanations for any non-compliance, pursuant to the "comply or explain" approach.</p> <p>Please note that the explanation given should describe the non-compliance and include how the overall Principle being recommended is still being achieved by the company.</p> <p>*"Not Applicable" or "None" shall not be considered as sufficient explanation</p>

C. Signature and Filing of the Report

- a. Three (3) copies of a fully accomplished I-ACGR shall be filed with the Main Office of the Commission **on or before May 30 of the following year for every year that the company remains listed in the PSE;**
- b. At least one (1) complete copy of the I-ACGR shall be duly notarized and shall bear **original and manual** signatures
- c. The I-ACGR shall be signed under oath by: (1) Chairman of the Board; (2) Chief Executive Officer or President; (3) All Independent Directors; (4) Compliance Officer; and (5) Corporate Secretary.
- d. The I-ACGR shall cover all relevant information from January to December of the given year.
- e. All reports shall comply with the full disclosure requirements of the Securities Regulation Code.



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended December 31, 2018
2. SEC Identification Number 9142
3. BIR Tax Identification No. 000-194-408-000
4. Exact name of issuer as specified in its charter METRO GLOBAL HOLDINGS CORPORATION
5. Metro Manila, Philippines
Province, Country or other jurisdiction of incorporation or organization
- (SEC Use Only)
Industry Classification
Code:
7. Mezzanine Floor, Renaissance Towers, Meralco Avenue
Pasig City, Metro Manila, Philippines
Address of principal office
1600.
Postal Code
8. +632-6336205
Issuer's telephone number, including area code
9. n.a.
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	Please refer to company website Link: Board of Directors Trainings attended by the Directors on Dec.6 2018	
2. Board has an appropriate mix of competence and expertise.	Compliant	Trainings attended by the Directors on Dec.18 2018	
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	Link: MGH Amended By-Laws Article III- Board of Directors Section 2-Qualifications (page 3)	
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Compliant	Annex "1" Link: SEC Form 17-C dated 4/12/18 Election of Mr. Jaime M. Cacho (4/12/18) as replacement for Director Mr. Enrique A. Sobrepeña, Jr. (12/31/17)	

Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	Link: 2017 Revised Manual on Corporate Governance - provision 2.2 Board Governance 2.2.1 Board of Directors (page 5) <i>Note: Board's Charter – Authority, Duties and Responsibilities can be found in the Revised Manual on Corporate Governance</i>	
2. Company has an orientation program for first time directors.	Compliant	New director is sent to ICD orientation seminar. Trainings attended by the Directors on Dec.6 2018	
Company has relevant annual continuing training for all directors.	Compliant	Trainings attended by the Directors on Dec.18 2018	
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	Link: 2017 Revised Manual on Corporate Governance – Section 2.2.2 Composition of Board (page 5-6)	
Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	Compliant	2017 Revised Manual on Corporate Governance	

Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	<p>Our Corporate Secretary is Atty. Gilbert Raymund T. Reyes while our Compliance Officer is Atty. Alice Odchigue Bondoc. Atty. Reyes is not a member of the Board of Directors.</p> <p>Link: 2017 Revised Manual on Corporate Governance – Section 2.4 The Corporate Secretary (pages 27-28) for the Qualifications, Duties and Functions.</p>	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		
4. Corporate Secretary attends training/s on corporate governance.	Compliant	Attendance to Seminar on Good Governance December 6, 2018 by Atty. Gilbert Reyes	
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	Compliant	2017 Revised Manual on Corporate Governance	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	<p>Compliance Officer : Atty. Alice O. Bondoc</p> <p>Link: 2017 Revised Manual on Corporate Governance – Section 2.1 Compliance System 2.1 Compliance Officer (pages 3-4) for the Qualifications, Duties and Functions.</p>	
2. Compliance Officer has a rank of Senior Vice President or an equivalent	Compliant		

position with adequate stature and authority in the corporation.			
3. Compliance Officer is not a member of the board.	Non-Compliant		The Company's 2017 Revised Manual on Corporate on Section 2.1.2 directs the Compliance Officer to perform such other duties and responsibilities as may be prescribed by the Board of Directors, consistent with and in accordance with the objectives this Manual and as may be provided by the Securities and Exchange Commission. In the interim that the Company is on a suspended trading status due to ongoing re-organization and development of new strategic directions for the Company, the Board has deemed the Compliance Officer remain a director of the Company so the Compliance Officer is well-aware of the planned business directions of the Company and the reasons therefore, as well as for better transparency of information on corporate affairs which would otherwise would only be available to the Directors of the Company is also made available to the Compliance Officer who can give immediate feedback to the Board on matters that might have compliance issues.
4. Compliance Officer attends training/s on corporate governance.	Compliant	Link: <u>Trainings attended by the Directors for 2018</u>	

		Certificate of Attendance to December 6, 2018 Corporate Governance Seminar of Atty. Bondoc	
Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.			
Recommendation 2.1			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	Link: <u>2017 Revised Manual on Corporate Governance</u> - Section 2.2.5 Responsibilities, Duties and Functions of the Board (pages 9-15)	
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	Link: <u>2017 Revised Manual on Corporate Governance</u> – Section 2.2.5 Responsibilities, Duties and Functions of the Board (pages 9-15)	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant		
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	Link: Company's Vision, Mission and Core Values.	

		The Vision and Mission are reviewed by the Board regularly to ensure that corporate business directors, strategies, and objectives are consistent and coherent with the Mission and Vision of the Company.	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compliant	Please see attached receiving copy on strategic execution guidelines Annex 2	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	Chairperson : ROBERT JOHN L. SOBREPEÑA Link: MGH Chairperson	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	If any of such positions becomes vacant by reason of death, disqualification or any other cause, the Board of Directors, by majority vote, may elect a successor who shall hold office for the unexpired term. The Board looks for suitable candidates within the organization and has identified candidates who would be qualified and eligible to fill positions that may become vacant. Link: Succession Planning Policy Annex 3	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant		
Recommendation 2.5			

Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	Link: 2017 Revised Manual on Corporate Governance – Section 2.2.12 Remuneration of Directors and Officers. Link: Remuneration Policy Annex 4 Link: MGH Amended By-Laws Remuneration process and policy see Annex 5 Link: Annual Report 2017 Part III- Control and Compensation Information Item 10 Executive Compensation	
Board adopts a policy specifying the relationship between remuneration and performance.	Compliant		
Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant		
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	Compliant	2017 Revised Manual on Corporate Governance	
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.	Compliant	Link: 2017 Revised Manual on Corporate Governance 2017 Revised MCG – Sec. 2.2.5 also known as Responsibilities & Functions of the Board under item "ii" letter "S"	
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	Link: 2017 Revised Manual on Corporate Governance Section 2.3.2 Nomination Committee Link:	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		

3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant	<u>2017 Revised Manual on Corporate Governance</u> – Section 6.1 INVESTORS' RIGHTS AND PROTECTION-6.1.2.4 Voting Rights (page 35-36) Link: <u>MGH Amended By-Laws</u> – Minority shareholders have a right to nominate candidates to the board	
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant		
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		
Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.	Non-Compliant		The Board will take into account professional search firms to search for candidates for directors.

Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	Link: metroglobalholdings.com website under Corporate Governance- Company Policies- <u>Related Party Transactions Policy</u> In 2018, there were no transactions or proposed transactions to which the Company was or is to be a party during which any director/executive officer of the Company, any nominee for election as director, any security holder or any member of the immediate family of any of the foregoing persons had or is to have a direct or indirect material interest.	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant		
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant		Annex 6 - provides the summary of outstanding balances as of December 31, 2018 of transactions that have been entered into with related parties in prior years.
Supplement to Recommendations 2.7			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be	Compliant	Link: 2018 Annual Report Part III- Control and Compensation Information Item 12-Certain Relationship and Related Transactions	

considered for purposes of applying the thresholds for disclosure and approval.			
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	<p>The company follow the voting system stated in the Amended By-Laws</p> <p>Link: MGH Amended By-Laws Article 5-Meeting Section 6</p>	
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	<p>Link: 2017 Revised Manual on Corporate Governance – Duties and Responsibilities of the Board (b) (pages 10)</p> <p>The Management team appointed consist of the following: CEO : Robert John L. Sobrepena Chief Risk Officer : Atty. Ferdinand T. Santos Chief Compliance Officer: Atty. Alice Odchigue-Bondoc Chief Audit Officer: Solita Santos-Alcantara</p> <p>Link: MGH Amended By-Laws</p>	
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	<p>Link: 2017 Revised Manual on Corporate Governance– Duties and Responsibilities of the Board (x) (pages 10)</p>	

Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	Compliant	Information on Board's performance management framework for management and personnel is provided in Annex 7	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant		
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Compliant	Link: 2017 Revised Manual on Corporate Governance – Section 2.2.5 (ii.u.)- Responsibilities, Duties and Function of the	

2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	Board(page 12) and 2.2.10- Internal Control Responsibilities of the Board (page 18)	
3. Board approves the Internal Audit Charter.	Compliant	Link: <u>MGH Internal Audit Charter</u>	
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	Link: <u>2017 Revised Manual on Corporate Governance – Section 2.2.5 (ii.j.)- Responsibilities, Duties and Function of the Board</u> (page 11) Risk Management Policy see Annex 8	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant		
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	Board Charter is found in the Revised Manual on Corporate Governance Link:	

2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant	2017 Revised Manual on Corporate Governance – Section 2.2. –Board Governance (page 5-19)	
3. Board Charter is publicly available and posted on the company's website.	Compliant		Link: MGH Amended By-Laws Art. 3 of MGH By-Laws
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	Compliant	Provided in the website under Corporate Governance- Company Policies Link: Insider Trading Policy	
Optional: Principle 2			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.		The Company does not grant loans to Directors.	
2. Company discloses the types of decision requiring board of directors' approval.	Compliant	Link: MGH Amended By-Laws Art. 2 of MGH By-Laws	
Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	Link: MGH Board Committees	

Recommendation 3.2			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	Compliant	<p>Link: MGH Audit Committee Charter</p> <p>Link: 2017 Revised Manual on Corporate Governance Section 2.3.4-Audit Committee (Page 23)</p>	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	Link: MGH Audit Committee	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	Link: MGH Audit Committee	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	Link: MGH Board Committees	
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	<p>Link: MGH Audit Committee Charter – Under “Authority”</p> <p>There were no non-audit services conducted by the external auditor for the year 2018.</p>	

2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	Link: MGH Audit Committee Charter – Under “Authority and External Auditor”	
Optional: Recommendation to 3.2			
1. Audit Committee meet at least four times during the year.			
2. Audit Committee approves the appointment and removal of the internal auditor.			
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	Link: SEC Form 17-C (Results of ASM & Org. Meeting)	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Compliant	Link: MGH Board Committees SEC Form 17-C (Results of ASM & Org. Meeting) Independent directors represents 20% of Board composition per mandate of law	
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	Link: SEC Form 17-C (Results of ASM & Org. Meeting)	
Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.			

Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	Link: SEC Form 17-C (Results of ASM & Org. Meeting)	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	Link: 2017 Revised Manual on Corporate Governance Section 2.3.6 - Board Risk Oversight Committee (BROC) (Page 24-25)	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Compliant	Link: MGH Board Committees SEC Form 17-C (Results of ASM & Org. Meeting)	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant	Link: 2017 Revised Manual on Corporate Governance Section .3.6 - Board Risk Oversight Committee (BROC) (Page 24-25)	
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	Link: SEC Form 17-C (Results of ASM & Org. Meeting)	
2. RPT Committee is composed of at least three non-executive directors, two	Compliant	Link:	

of whom should be independent, including the Chairman.		2017 Revised Manual on Corporate Governance Section 2.3.7–Related Transactions Committee (Page 25-27)	
Recommendation 3.6			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	Link: 2017 Revised Manual on Corporate Governance Section 2.3–Board Committees (Page 19-27)	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant		
3. Committee Charters were fully disclosed on the company's website.	Compliant	Link: MGH Board Committee Charters	
Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.			
Recommendation 4.1			
1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	Link: 2017 Revised Manual on Corporate Governance Section 2.2.6 Specific Duties and Responsibilities of a Director (ii) (pages 14) By-Laws of MGH 2017 Annual Corporate Governance Report	

2. The directors review meeting materials for all Board and Committee meetings.	Compliant	Prior to meetings of the Board and Committee, copies of presentation materials and minutes of previous meeting are provided by management at least 5 business days before the meeting of board and committee.	
The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	Link: 2017 Revised Manual on Corporate Governance Section 2.2.6 Specific Duties and Responsibilities of a Director (iii) (pages 14)	
Recommendation 4.2			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	Compliant	Link: 2017 Revised Manual on Corporate Governance Section 2.2.3– Multiple Board Seats (page 8) See Annex 9 for the information on the directorships of the company's directors in both listed and non-listed companies	
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	Compliant	Link: 2017 Revised Manual on Corporate Governance Section 2.2.6 Specific Duties and Responsibilities of a Director (i) (pages 13-14)	

Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	Compliant	See Annex 9	
Company schedules board of directors' meetings before the start of the financial year	Non-Compliant		The Company is on a voluntary suspension of trading status since it is in the process of reorganization and re-alignment of its business direction and strategies. As such, the Company has had minimal operations during the previous year and for the next 12 months, it was forecasted the operations would remain minimal in the interim which would have required the Board to fix the schedules of the Board meetings a year in advance.
2. Board of directors meet at least six times during the year.	compliant	Link: Website Corporate Disclosure SEC17-C	
3. Company requires as minimum quorum of at least 2/3 for board decisions.	Non-compliant		The By-Laws of the Company require only a majority of the members of the Board present to constitute a quorum.
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs			
Recommendation 5.1			

1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Compliant	Independent directors represents 20% of Board composition per mandate of law Annex 1	
Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	Link: 2017 Revised Manual on Corporate Governance Section 2.2.2 Composition of the Board of Directors (page 6-7)	
Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	Link: 2017 Revised Manual on Corporate Governance Section 6.1 INVESTORS' RIGHTS AND PROTECTION-6.1.2 Voting Rights (page 35-36)	
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	Link: 2017 Revised Manual on Corporate Governance Section 2.2.2 Composition of the Board of Directors (page 7) item 11	
The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	Link: 2017 Revised Manual on Corporate Governance Section 2.2.2 Composition of the Board of Directors (page 7) item 11	
2. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification	Compliant	Link: 2017 Revised Manual on Corporate Governance Section 2.2.2 Composition of the Board of Directors (page 7) item 11	

and seeks shareholders' approval during the annual shareholders' meeting.			
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Non-compliant	Mr. Robert John Sobrepena is the Chairman of the Board and CEO of the Company.	<p>Notwithstanding that the Chairman and CEO are one and the same person and has a lead director to ensure that the Board gets the benefit of independent view, the Company also has a President who handles the administration and direction of the day-to-day business of the Company and who ensures that the Board gets the benefit of independent views in formulating, evaluating and assessing the effectiveness of the policies of the Company</p> <p>ACGR 2016 and Manual on Corporate Governance indicates that the corporation designated a lead director among the independent directors who does not reflect the role of the president</p>
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	<p>Link: 2017 Revised Manual on Corporate Governance Section 2.2.4 The Chair and Chief Executive Officer (pages 8-9)</p> <p>MGH Amended By-Laws Art. IV Secs. 2 & 4</p>	
Recommendation 5.5			

1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Compliant	<p>The Board has designated its Independent Director, Mr. Francisco Gonzales as "Lead Director" to ensure that the Board gets the benefit of independent views. His functions as lead director include, among others, the following: 1. Serve as an intermediary between the Chairman and the other directors when necessary; 2. Convene and chairs meeting of the non-executive directors; and 3. Contribute to the performance evaluation of the Chairman, as required.</p> <p>Link: 2017 Revised Manual on Corporate Governance Section 2.2.2 Composition of the Board of Directors (page 8) item 11</p>	
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	<p>Link: 2017 Revised Manual on Corporate Governance Section 2.2.6 Specific Duties and Responsibilities of a Director (i) (pages 13-14)</p>	
Recommendation 5.7			

1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.		<p>Provided in the Revised Manual on Corporate Governance 2.2.6 Specific Duties and Responsibilities of a Director (vii) (pages 13-14) Link: 2017 Revised Manual on Corporate Governance</p> <p>Provided in the Revised Manual on Corporate Governance 2.2.2 Composition of the Board of Directors (page 8) item 11 Link: 2017 Revised Manual on Corporate Governance</p> <p>The meetings are chaired by Francisco C. Gonzalez, an Independent Director.</p>	
2. The meetings are chaired by the lead independent director.	Compliant		
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.	Non-Compliant	Robert John Sobrepena has been the CEO of the Company for the past 2 years	
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			

Recommendation 6.1			
1. Board conducts an annual self-assessment of its performance as a whole.	Compliant	Directors Self-Assessment (RSR, ES, FG,JMC,NMC) Annex 10 Individual Self-Assessment(RSR, ES, FG,JMC,NMC) Annex 11	
2. The Chairman conducts a self-assessment of his performance.	Compliant		
3. The individual members conduct a self-assessment of their performance.	Compliant		
4. Each committee conducts a self-assessment of its performance.	Compliant		
5. Every three years, the assessments are supported by an external facilitator.	Non-compliant		The Company is only in the first year since its adoption of the 2017 Revised Manual on Corporate Governance which includes a recommendation on the inclusion of an external facilitator to undertake the assessments on Board performance every three years.
Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	See Annex "12"	
2. The system allows for a feedback mechanism from the shareholders.	Compliant		
Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			

Recommendation 7.1			
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	Link: Code of Business Conduct and Ethics	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	Code of Business Conduct and Ethics. The corporation requires continuous management attention at all corporate levels to assure compliance with the spirit and letter of this policy.	
3. The Code is disclosed and made available to the public through the company website.	Compliant	Link: Code of Business Conduct and Ethics	
Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Compliant	Link: Code of Business Conduct and Ethics	
Recommendation 7.2			

<p>1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.</p>	<p>Compliant</p>	<p>Link: <u>Code of Business Conduct and Ethics</u></p> <p>The Board of Directors of the Company supervise the compliance of this Code by the Senior Management of the Company, and authorize the President of the Company to be responsible for the implementation of this Code and observe the compliance hereof.</p> <p>The Company's management evaluates the adequacy and effectiveness of this Manual periodically and amend this Manual according to the evaluation result or as required by the Board of Directors. It is the strict policy of the Company not to allow retaliation for reports of misconduct by others made in good faith by employees. Employees are expected to cooperate in internal investigations of misconduct.</p> <p><u>2017 Revised Manual on Corporate Governance</u> – Sec. 2.2.5 (ii) [z]</p> <p>All executives, officers, staff and employees of MGH, employed regardless of status of employment in the company are required to comply with the Code of Business Conduct and Ethics.</p>	
<p>2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.</p>	<p>Compliant</p>		
<p>Disclosure and Transparency</p>			

Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

Recommendation 8.1

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	<u>2017 Revised Manual on Corporate Governance</u> Sec. 2.2.5 also known as Responsibilities, Duties & Functions of the Board (bb)	
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Supplement to Recommendations 8.1

1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.	Non-compliant		<p>In accordance with the implementing Rules and Regulations of the Securities Regulation Code, the Company discloses its audited financial statements as part of the annual report within 105days after the end of the fiscal year.</p> <p>The Company filed its financial statements as part of its annual report on 15 April 2019, which was 105 days after the end of fiscal year</p> <p>Link: 2018 Annual Report</p> <p>However, the 2018 Quarterly report for the 1st quarter is disclosed and published on 14</p>
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			<p>June 2018 which was more than 45 days from reporting period. Link: 2018 Q1 Quarterly Report</p> <p>The Company was not able to file its 1st quarter quarterly report within forty-five (45) days from the end of the reporting period due to non-finalization of the 2017 financial statements which was essential in the quarterly report. The Company has been fined and has paid to regulators for non-compliance.</p> <p>The second and third quarter reports were disclosed and published within forty-five (45) days from reporting period: Link: 2018 Q2 Quarterly Report 2018 Q3 Quarterly Report</p>
<p>2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p>	Non-compliant		<p>The Company's Annual Report does not disclose in particular the following:</p> <ol style="list-style-type: none"> 1. principal risks to minority shareholders associated with the identity of the company's controlling shareholders; 2. cross-holdings among company affiliates; and 3. any imbalances between the controlling shareholders' voting power

			and overall equity position in the company. However, the Annual Report discloses the degree of ownership concentration, particularly the security ownership of certain beneficial owners and management.
Recommendation 8.2			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	2017 Revised Manual on Corporate Governance – Sec. 2.2.6 (VIII)	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Compliant		
Supplement to Recommendation 8.2			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	Compliant	Shareholdings of Directors in the Company Link: General Information Sheet 2018 Top 100 shareholders Company's Conglomerate Map.	
Recommendation 8.3			

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 refer to "Item 9. Directors and Executive Officers of the Registrant - Section (A) Executive Officers of the Registrant" Link: 2018 Annual Report	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	Please refer to "Item 9. Directors and Executive Officers of the Registrant - Section (A) Executive Officers of the Registrant" Link: 2018 Annual Report	
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Compliant	Link: MGH Remuneration Charter MGH Amended By-Laws Art. 3 Sec. 8 2017 Revised Manual on Corporate Governance – Sec. 2.2.5 (ii) [s] Sec. 2.3.3	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	Link: MGH Remuneration Charter MGH Amended By-Laws Art. 4 Sec. 13 2017 Revised Manual on Corporate Governance – Sec. 2.2.5 (ii) [s] Sec. 2.3.3	
3. Company discloses the remuneration on an individual basis,	Compliant	Link: 2018 Annual Report	

including termination and retirement provisions.		Part III- Control and Compensation Information Item 10 Executive Compensation	
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	Link: Company Policies-Related Party Transactions Policy Provided in the Revised Manual on Corporate Governance 2.2.5 Responsibilities, Duties and Functions of the Board (page 11-k&l) Link: 2017 Revised Manual on Corporate Governance	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	Information on RPTs of the Company can be found in Note 17 of the Audited Financial Statements. Link: 2018 Annual Report	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	Link: Code of Business Conduct and Ethics	
Principle : Recommendation 8.5			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	Compliant	Information on RPTs of the Company can be found in Note 17 of the Audited Financial Statements. Link: 2018 Annual Report	

Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Compliant	<u>2017 Revised Manual on Corporate Governance</u> – Sec. 2.2.5 (ii) [bb] [cc]	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant	<p>These major decisions have to be approved by the Board of Directors and stockholders, as necessary.</p> <p>Name of the independent party the board of directors of the company appointed to evaluate the fairness of the transaction price.</p> <p>There were no transactions the past year involving the acquisition of corporate control in the capital markets.</p>	
Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on	Compliant	<p>Link: <u>2017 Revised Manual on Corporate Governance</u></p> <p>Link: 2018 Annual Report Item 1 Business</p>	

the control, ownership, and strategic direction of the company.			
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	Link: 2017 Revised Manual on Corporate Governance	
2. Company's MCG is submitted to the SEC and PSE.	Compliant		
3. Company's MCG is posted on its company website.	Compliant		
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	PSE Edge: MGH Manual on Corporate Governance SEC: 2017 Revised Manual on Corporate Governance	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:	Compliant	Link: 2018 Annual Report	

a. Corporate Objectives		Please refer to "Item 1. Business Development" and "Item 6. Management's Discussion and Analysis or Plan of Operations"	
b. Financial performance indicator			
c. Non-financial performance indicators			
d. Dividend Policy			
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors			
f. Attendance details of each director in all directors meetings held during the year	Compliant	Please refer to "Item 6. Management's Discussion and Analysis or Plan of Operation – "Management Discussions and Analysis of Financial Condition and Results of Operations"	
g. Total remuneration of each member of the board of directors		Please refer to "Item 5. Market for Registrants Common Equity and Related Stockholders Matters, Section (3) Dividends"	
		Please refer to "Item 9. Directors and Executive Officers of the Registrant; Section (A) Executive Officers of the Registrant"	
		Please refer to "Item 10. Executive Compensation"	
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.	Compliant	CEO Robert John L. Sobrepena and Independent Director Francisco Gonzales attested the company's full compliance with SEC Code of Corporate Governance last July 28, 2014. For the 2017 Code of Corporate Governance, the CEO and Compliance	

		Officer shall attest to the company's compliance.	
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	Compliant	The management gathers all material information before committing funds. The BOD reviews and approves policies of managing liquidity and credit risks.	
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	Compliant	In order to meet the effectiveness of the Internal Control System and to consider them effective and adequate the Audit Committee perform the following duties and responsibilities: 1. Monitor and evaluate the adequacy and effectiveness of the company's internal control system, including information technology security and control. 2. Understand the scope of internal and external auditor's review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses. 3. Review with management and the chief audit executive the charter, plans, activities, staffing, and organizational structure of the internal audit function. 4. Ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the chief audit executive. 5. Review the effectiveness of the internal audit function, including compliance with Standards for the Professional Practice of Internal Auditing. 6. On a regular basis, meet separately with the chief audit executive to discuss any matters that the committee or	

		internal audit believes should be discussed privately.	
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).	Compliant	The company's Risk currently facing is attached as Annex 13	
Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.			
Recommendation 9.1			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	Annex 14 Audit Committee Process	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	Compliant	The stockholders approved the re-appointment of Valdes Abad and Company CPAs as the Company's independent external auditor. The Company received votes in person and by proxy a total of 1,761,393,212 or 88.07% of common shares in favor of the approval of the re-appointment of Valdes Abad and Company CPAs as Company's independent external auditor. Link: Results of Annual Stockholder's Meeting and Organizational Meeting Pls refer to Number 2.3	.
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators	Compliant	The stockholders approved the re-appointment of Valdes Abad and Company CPAs as the Company's independent external auditor. The	

and the public through the company website and required disclosures.		Company received votes in person and by proxy a total of 1,761,393,212 or 88.07% of common shares in favor of the approval of the re-appointment of Valdes Abad and Company CPAs as Company's independent external auditor. Link: Results of Annual Stockholder's Meeting and Organizational Meeting Pls refer to Number 2.3	
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	Provided in the Audit Committee Charter	
Recommendation 9.2			
1. 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	Link: Audit Committee Charter	
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the	Compliant	Link: Audit Committee Charter	

external auditor's suitability and effectiveness on an annual basis.			
Supplement to Recommendations 9.2			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Compliant	Link: Audit Committee Charter	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	Link: Audit Committee Charter	
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	There were no non-audit services conducted by the external auditor for 2018	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	Compliant	Link: Audit Committee Charter "Authority" Link: policies on non-audit services Annex 15	
Supplement to Recommendation 9.3			

1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	Audit Fees paid for 2018 amounted to Php200,000.00 There were no non-audit services conducted by the external auditor for 2018	
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	<ol style="list-style-type: none"> 1. Name of Audit Engagement Partner: Alfonso L. Cay-an 2. Accreditation number: Partner – No. 1701-A Firm – No. 0361-F 3. Date Accredited: Partner – August 23,2018 Firm – August 23,2018 4. Expiry date of accreditation: Partner – August 22,2021 Firm – August 22,2021 5. Name, address, contact number of the audit firm: Valdes, Abad & Company., CPAs; 3/F 108 CJV Building, Aguirre Street, 1229, Legaspi, Makati, Metro Manila; Tel. No. 02 892-5931 to 35 valdes.abad.associates@gmail.co mvaa.cist@yahoo.com 	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the	Compliant	The firm Valdes Abad and Company CPAs agrees to be subjected to SOAR.	

SEC's Office of the General Accountant (OGA).			
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Compliant	Link: 2017 Revised Manual on Corporate Governance	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	Link: Sustainability Report Annex "21"	
Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.			
Recommendation 11.1			
1. Company has media and analysts' briefings as channels of	Compliant	MGH Website	

communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.		<u>PSE Edge Portal-MGH</u> SEC i-view: https://ireport.sec.gov.ph/iview/index.html	
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Supplemental to Principle 11

1. Company has a website disclosing up-to-date information on the following:	Compliant	<u>MGH Website</u>	
a. Financial statements/reports (latest quarterly)			
b. Materials provided in briefings to analysts and media			
c. Downloadable annual report			
d. Notice of ASM and/or SSM			
e. Minutes of ASM and/or SSM			
f. Company's Articles of Incorporation and By-Laws			

Additional Recommendation to Principle 11

1. Company complies with SEC-prescribed website template.	Compliant	<u>MGH Website</u>	
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Internal Control System and Risk Management Framework

Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.

Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	Internal audit performs in accordance with its charter, which is consistent with the Standards and code of ethics Regular communication and reporting of audit observation and recommendation to senior management.	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	The Company used COSO framework for Enterprise Risk Management Risk Management Policy see Annex 8 The company's Risk currently facing is attached as Annex 13 Periodic review is being done	
Supplement to Recommendations 12.1			
1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	Compliant	Link: Code of Business Conduct and Ethics	
Optional: Recommendation 12.1			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to	Compliant	Framework in place but written Manual on Governance of IT Issues in the process of formulation	

ensure that all key risks are identified, managed and reported to the board.			
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Compliant	Internal Audit function is in-house. CAE from parent company is seconded to this company.	
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	Ms. Solita S. Alcantara Link: 2017 Revised Manual on Corporate Governance 2.6.2.3	
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	Compliant	Link: Internal Audit Charter	
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Compliant	Ms. Solita S. Alcantara	
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	Link: 2017 Revised Manual on Corporate Governance	

Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	-Compliant	Link: 2017 Revised Manual on Corporate Governance	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	<p>The company's Chief Risk Officer (CRO) is Atty. Ferdinand T. Santos</p> <p>Information about the CRO is contained in the Annual Report</p> <p>Link: 2018 Annual Report</p> <p>Please refer to "Item 9. Directors and Executive Officers of the Registrant - Section (A) Executive Officers of the Registrant"</p>	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant	CRO is company's President, so he has adequate authority, stature, resources and support to fulfill his responsibilities.	
Additional Recommendation to Principle 12			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound	Compliant	Annex 16 for the CEO and CAE's attestation	

internal audit, control and compliance system is in place and working effectively.			
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	Link: <u>2017 Revised Manual on Corporate Governance</u> 6-Shareholders Benefits (pages 35-39)	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Link: <u>2017 Revised Manual on Corporate Governance</u> 6-Shareholders Benefits (pages 35-39)	
Supplement to Recommendation 13.1			

1. Company's common share has one vote for one share.	Compliant	<u>MGH Amended By-Laws</u> Art. 5 Sec. 6	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	<u>MGH Amended By-Laws</u>	
3. Board has an effective, secure, and efficient voting system.	<u>MGH Amended By-Laws</u>	<u>MGH Amended By-Laws</u>	
4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	<u>MGH Amended By-Laws</u>	<u>MGH Amended By-Laws</u>	
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Compliant	<u>MGH Amended By-Laws</u> Art. 5 Sec. 2	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	<u>MGH Amended By-Laws</u>	
7. Company has a transparent and specific dividend policy.	Compliant	<u>MGH Amended By-Laws</u> Art. 8 Sec. 2	
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or	Compliant	Incumbent External Auditors	

validate the votes at the Annual Shareholders' Meeting.			
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Compliant	Disclosure and Release of Notice of ASM to Shareholders The Company disclosed to the PSE the Company's SEC Form 20-IS Definitive Information Statement (DIS) on October 22, 2018. The Company likewise sent out the Notice of AGSM, which states the date, time and place of meeting, including the rationale and explanation for each item in the agenda that requires shareholders' approval, to shareholders on October 23, 2018, which is (30) days prior to November 22, 2018, the date of actual meeting. The ASM was announced months before the actual date of the meeting and was posted to PSE Edge on September 25, 2018. Link: Notice of Annual Stockholders Meeting Definitive Information Statement	
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Compliant	Link: Definitive Information Statement	

a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant	Link : Definitive Information Statement Item No. 5- Directors and Executive Officers of Registrant	
b. Auditors seeking appointment/re-appointment	Compliant	Link : Definitive Information Statement Please refer to page 2	
c. Proxy documents	Compliant	Link : Definitive Information Statement Please refer to page 4	
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	Compliant	Link : Definitive Information Statement Please refer to page 2	
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	Link: Results of Annual Stockholders Meeting	
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	Link: Results of Annual Stockholders Meeting	
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	In addition to the members of the Board of Directors, the Corporate Secretary, representatives from Valdes Abad and Company CPAs , were present during the	

		annual meeting to answer shareholders questions.	
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	2017 Annual Corporate Governance Report	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	<u>2017 Revised Manual on Corporate Governance</u> - Sec. 2.2.5 (ii) [n]	
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	Investor Relations Officer is: MR. RAFAEL PEREZ DE TAGLE, Jr. Telephone: +632-706-1867 Fax: +632-706-1867 E-mail address: rperezdetagle@gmail.com	
2. IRO is present at every shareholder's meeting.	Compliant	Link: SEC Form 17-C (Results of ASM & Org. Meeting)	
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant	Link: <u>MGH Amended By-Laws</u> Article V-Meetings Section 5-Proxy (page 12)	

2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Non-Compliant		The Company's public float is currently at 11%. The public float is expected to increase once the proposed increase in ACS is approved by SEC.
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	Compliant	<u>2017 Revised Manual on Corporate Governance</u> - Sec. 2.2.5 (ii) [ee]	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	Non-compliant		The Company is the process of studying this option taking into consideration the infrastructure needed and the cost involved.
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	<u>2017 Revised Manual on Corporate Governance</u> - Sec. 2.2.5 (ii) [g & h]	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	<u>2017 Revised Manual on Corporate Governance</u> - Sec. 2.4.4 (d)	

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	<p>Stakeholders can voice their concerns and/or complaints for possible violation of their rights to the Investor Relations Officer, with following contact details:</p> <p>MR. RAFAEL PEREZ DE TAGLE, Jr. Telephone: +632-706-1867 Fax: +632-706-1867 E-mail address: rperezdetagle@gmail.com</p> <p>Relative to <u>Company Policies-Whistle-Blowing Policy</u></p> <p>2017 Annual Corporate Governance Report</p>	
Supplement to Recommendation 14.3			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	Compliant	<p><u>2017 Revised Manual on Corporate Governance- Sec. 2.2.5 (ii) [n]</u> See Annex 17</p>	
Additional Recommendations to Principle 14			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it	Compliant	There is no instance that MGH sought any exemption for application of any law, rule or regulation for the year 2018 especially when	

refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.		it refer to corporate governance issue. However, Last January, 2019 the company filed a Notice of Application for confirmation except transaction Link: Company Disclosure-Others	
2. Company respects intellectual property rights.	Compliant	Please see link on MGH Code of Business Conduct and Ethics under Confidential and Proprietary Information	
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	Non-compliant		The Company is a holding company and has no direct business operations that entails direct interaction with customers.
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Compliant	Link: Code of Business Conduct and Ethics	
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Compliant	Link: Code of Business Conduct and Ethics	
Supplement to Recommendation 15.1			
1. Company has a reward/compensation policy that	Compliant	The management of MGHC is currently being undertaken by the executive officers	

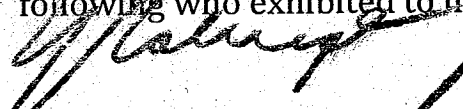
accounts for the performance of the company beyond short-term financial measures.		and employees of the parent company, FEMI, which officers and employees are seconded by FEMI See Annex "18" for the Reward/Compensation Policy (reference 2016 ACGR)	
2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	<p>The management of MGHC is currently being undertaken by the executive officers and employees of the parent company, FEMI, which officers and employees are seconded by FEMI.</p> <p>The health of every employee shall be maintained at its highest level: 1. With existing health plan coverage, 2. With emergency medicine kit complete with emergency medicines, 3. With company nurse to address employees' health needs; assessment and, or referral of employee/s health condition in the workplace. 4. Employees are required to consult a Physician if sick leave is more than two days and a medical certificate/ clearance is required before resumption to work. 5. Pre-employment physical examination to newly hired employees. 6. Annual Physical examination to all regular employees</p> <p>Data relating to health, safety and welfare of its employees. 1. Annual vaccination program with Influenza virus is maintained 2. Monthly purchase of first aid. 3. An employee is advised to go home or consult</p>	

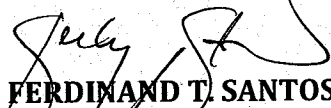
		immediately a Physician if with presence of any symptoms of a suspected viral illness. 4. Maintains well ventilated and non-hazardous workplace through daily inspection and maintenance of facilities/supplies. 5. Quarterly Pest Control program of the work place.	
3. Company has policies and practices on training and development of its employees.	Compliant	The management of MGHC is currently being undertaken by the executive officers and employees of the parent company, FEMI, which officers and employees are seconded by FEMI See Annex "19" for the Company's Training And Development Program	
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Compliant	Link: Code of Business Conduct and Ethics Anti-Bribery and Anti-Corruption Policy	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	The corporation requires continuous management attention at all corporate levels to assure compliance with the spirit and letter of this policy.	
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	Compliant	Company Gift-giving policy is attached as Annex "20" No incidents of violations of the company policy found and reported.	

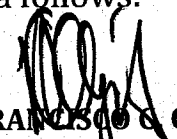
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Compliant	<u>Company Policies-Whistle-Blowing Policy</u> Link: <u>Code of Business Conduct and Ethics</u>	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant	<u>Company Policies-Whistle-Blowing Policy</u>	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	<u>Company Policies-Whistle-Blowing Policy</u>	
Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
Recommendation 16.1			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	Compliant	Link: <u>Corporate Social Responsibility</u>	


Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development		Link: Sustainability Development Program Annex "21"	
2. Company exerts effort to interact positively with the communities in which it operates		Link: Sustainability Development Program Annex "21"	


SUBSCRIBED AND SWORN to before me this MAY 20 2019 in CITY OF MAKATI by the following who exhibited to me their respective valid I.D.'s a follows:



ROBERT JOHN L. SOBREPEN
Chairman of the Board
Passport No. EC1944107
Expiring 19 August 2019



FERDINAND T. SANTOS
President
Senior Citizen ID No. 75098
Pasig City issued 08/19/14


FRANCISCO S. GONZALEZ
Independent Director (Lead)
Social Security System
ID 03-1741698-9



EDUARDO R. SANTOS
Independent Director
Tax Identification No. 111-082-202


ROBERTO S. ROCO
Director
Senior Citizen ID No. 21511
Paranaque City issued 3/6/13


ALICE ODCHIGUE-BONDOC
Chief Compliance Officer
Social Security System ID No.
33-1923852-8


GILBERT RAYMUND T. REYES
Corporate Secretary
Tax Identification No. 106-973-867

NOTARY PUBLIC


ATTY. JOHNA P. LAPUZ
Notary Public for Makati City
Appointment # M-82 until 12/31/2019
PTR No. 7333096-Jan 3, 2019, Makati City
Roll No. 45790, IBP Lifetime Roll #04897
MCLE No. V-0019692/April 15, 2016
G/F Fedman Suites, 199 Salcedo Street
Legaspi Village, Makati City

Doc. No. 190;
Page No. 39;
Book No. 127;
Series of 2019.

Composition of the Board

[Back to recommendation](#)

Annex “1”

Director's Name	Type [Executive (ED), Non- Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) ¹	Elected when (Annual /Special Meeting)	No. of years served as director
Robert John L. Sobrepeña	ED	FEMI	FEMI	1996	September 13, 2007	Special Meeting	22
Ferdinand T. Santos	ED	FEMI	FEMI	1996	September 13, 2007	Special Meeting	22
Noel M. Cariño	NED	FEMI	FEMI	1996	September 13, 2007	Special Meeting	22
Rafael Perez de Tagle, Jr.	ED	FEMI	FEMI	2000	September 13, 2007	Special Meeting	18
Alice Odchigue-Bondoc	ED	FEMI	FEMI	2004	September 13, 2007	Special Meeting	14
Francisco C. Gonzalez	ID	FEMI	FEMI, no relation	2010	7	Special Meeting	8
Eduardo R. Santos	ID	FEMI	FEMI, no relation	2014	3	Special Meeting	4
Roberto S. Roco	NED	FEMI	FEMI, no relation	2015	2	Special Meeting	3
Jaime M. Cacho	NED	FEMI	FEMI	2018	April 12, 2018	Special Meeting	N/A

¹ Reckoned from the election immediately following January 2, 2013.

PLANNING SESSION 2018

[Back to recommendation](#)

Annex "2"

FEMI GROUP

PLANNING SESSION & DIRECTION SETTING

TARGET DATE: November 6, 2017 (Monday)

VENUE: 1st Flr., Tower B, Renaissance 3000

RECEIVING COPY: MEMO & GUIDELINES

				SIGNATURE
FEMI	RJLS	1	Chairman & CEO	*
	FTS	2	CRO/COO	*
	Peng de Tagle	3	EVP	11/2/17
	Mon Jimenez	4	Controller	11/4
	Sylvia Hondrade	5	VP - Business Development	11/2/17
	Soc Gianan	6	VP - Treasury	11/2/17
	Sol Alcantara	7	VP - Internal Audit	11/2/17
	Atty. Kamille Carranza	8	VP - Legal, Litigation	*
	Atty. Jojo Bondoc	9	VP - Legal, Corporate	*
	Kathy Benitez	10	VP - HR	
MCC	Jaime Cacho	11	President	11/2/17
CJHDevCo	Boysie Yñiguez	12	EVP - Legal	
	Sean Bedi	13	EVP - Operations	
	Emily Falco	14	CFO	
PASS / FITERA	Edwin Hui	15	CMO/CAO	11/2/17
Club Leisure	Tito Avanceña	16	COO	
	Jayson Yu	17	VP for Special Projects	
Smart Probe	Ronnie Samaniego	18	Chairman	*
	Joy Donato	19	Accounting Manager	*
	Arlan de Guzman	20	Sales Manager	*
	Danial Rooznamenchi	21	Head of Engineering	*
SOLAR	Tom Teehan	22		11/2/17
Coffee	Marlon Benitez	23	Executive Director	*
	Annabelle Brillon	24		*
Mt. Zion	May Victoria	25	VP - Treasury	11/2/17
	Friedrich Santos	26	VP - PDD	11/2/17
	Alan Lapira	27	AVP - PDD	11/02/17
	Jun Artuz	28	Consultant	11/02/17
Consultants	Bobby Roco	29	Loans Settlement	11/2/17
	Thad Aquino	30	Licensing	
	Rene Olbes	31	PR & Advertising	
	Bert Olbes	32	PR & Advertising	Bert Olbes



SUCCESSION POLICY

INTRODUCTION:

A change in executive leadership creates uncertainty for all organizations and can be a very challenging time. Therefore, it is the policy of Metro Global Holdings Corp. (MGHC) to be prepared for an eventual permanent change in leadership – either planned or unplanned – to insure the stability and accountability of the organization until new permanent leadership is identified. The Board of Directors shall be responsible for implementing this policy and its related procedures.

POLICY:

It is the policy of the Board of MGHC to assess the leadership needs of the organization. Therefore, ensuring the selection of a qualified and capable; a good fit for the organization’s mission, vision, values, goals, and objectives; and who has the necessary competencies for the leadership needs of MGHC.

PROCEDURES:

In the event the Executive Director of MGHC is no longer able to serve in this position (i.e., leaves the position permanently), the Executive Committee of the Board of Directors shall do the following to appoint an Interim Executive Director.

Within 15 business days appoint a Succession Planning Committee, in the event that a permanent change in leadership is required. This committee shall be comprised of at least one member of the Executive Committee and two other members of the Board of Directors and the Head of Human Resources.

The Committee establishes a succession plan that identifies critical executive and management positions, forecasts future vacancies in those positions and identifies potential managers who would fill vacancies. Vacancies will be filled from within or, in

MGHC
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KMBenitez



the event no viable candidate is available, on an “acting” basis while an external recruitment effort is conducted.

It shall be the responsibility of this committee to implement the following preliminary transition plan:

- Communicate with key stakeholders regarding actions taken by the Board in naming an interim successor, appointing a Succession Planning Committee, and implementing the succession policy.
- Consider the need for consulting assistance (i.e., transition management or executive search consultant) based on the circumstances of the transition.
- Review the organization’s business plan and conduct a brief assessment of organizational strengths, weaknesses, opportunities, and threats to identify priority issues that may need to be addressed during the transition process and to identify attributes and characteristics that are important to consider in the selection of the next permanent leader.
- Establish a time frame and plan for the recruitment and selection process.
- The Head of Human Resources shall apply the MGHC’s hiring policy and procedures.
- The Board should use similar procedures in case of an executive transition that simultaneously involves the Executive Director and other key management. In such an instance, the Board may also consider temporarily subcontracting some of the organizational functions from a trained consultant or other organizations.

RESPONSIBILITIES:

It is likewise the responsibility of the Succession Planning Committee to:

1. Meet every January. At each meeting, each division head will:
 - a. Present to the Committee a review of the departmental succession plan.
 - b. Identify key positions and incumbents targeted for succession planning. This should include an analysis of planned retirements, potential turnover, etc.

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- c. Identify individuals who show the potential needed for progression into the targeted positions and leadership within the company.
 - d. Outline the actions taken in the previous six months to prepare identified individuals to assume a greater role of responsibility in the future.
- 2. By the end of February each year, the Committee will approve targeted candidates.
- 3. By the end of March each year, the Committee will approve an outline of actions that will be taken in the following six months to prepare individuals to assume a greater role of responsibility in the future.
- 4. The Chairman & CEO will periodically request updates from the Head of Human Resources on the development process for each targeted candidate.

HUMAN RESOURCES DIVISION
DECEMBER 2017

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REMUNERATION POLICY

INTRODUCTION:

The Remuneration Policy addresses remuneration on an organization wide basis and is one of the key components of the HR strategy, both of which fully support the overall business strategy. The main functions of the Remuneration Policy, are to: (1) to support the Metro Global Holdings, Corp. (MGHC) strategy by helping to build a competitive, high performance and innovative company that attracts, retains, motivates and rewards high-performing employees; and (2) to promote the achievement of strategic objectives.

REMUNERATION PHILOSOPHY:

Metro Global Holdings, Corp.'s remuneration philosophy is to recruit, motivate, reward and retain employees who believe in, and live by, our culture and values. We endeavor to create a working environment that motivates high performance so that all employees can positively contribute to the strategy, vision, goals and values of the group.

Our philosophy, supported by a robust performance management practice, strives to set our employees' total remuneration package at a competitive level by benchmarking to the market and providing incentives geared to agreed performance outcomes, where appropriate.

KEY PRINCIPLES:

The MGHC Remuneration Policy is based fundamentally on the following principles:

1. The Remuneration Policy is aligned to the overall business strategy, objectives and values of the group.

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2. The Remuneration policy contains arrangements for ensuring that executive remuneration is fair and responsible in the context of overall company remuneration.
3. Salaried employees are rewarded on a total rewards basis, which includes fixed, short- and long-term as well as intangible rewards (in line with market practice).
4. The fixed (guaranteed) component of the reward includes a base salary, and benefits that are normally set at market median level.
5. Total remuneration (base salary, benefits and allowances & incentives) is targeted in normal market conditions to the relevant competitive market.

REMUNERATION POLICY

STRUCTURE

MGHC's remuneration structure relating to salaried employees (*including executive directors and key officers*) comprises the following elements: **guaranteed remuneration package** (fixed or base pay and allowances), **variable remuneration** (short- term and long-term incentives) and **recognition** (special bonuses for special projects).

The fixed remuneration is guaranteed and normally paid irrespective of the Company's performance, while the variable remuneration is not guaranteed, and directly linked to and dependent upon certain group, divisional and individual performance levels being achieved.

The guaranteed remuneration package (guaranteed cost-to-company) includes the employee's total annual salary plus any non-cash fringe benefits. Typically these include company car, retirement fund and health insurance, group life and accident insurance, as well as other benefits.

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Remuneration Element	Purpose
Guaranteed Package	<ul style="list-style-type: none"> • Pays for overall job requirements, accountability, complexity / variety of tasks. • Ensures that MGHC attracts and retains talented high-performing people by paying a market- related guaranteed package.
Short-term Incentives	<ul style="list-style-type: none"> • Focuses on attaining results in both the short and medium term, whilst at the same time ensuring the successful execution of the strategic plan. • Variable component that rewards contributions to the business plan. • Offers the opportunity for Pay-for-Performance to incentivize employees.
Long-term Incentives	<ul style="list-style-type: none"> • Crucial in retaining business critical / key employees. • Focuses attention on achieving longer-term strategic imperatives and aligns performance with shareholder thinking and expectations. • Rewards sustainable company performance.
Recognition	<ul style="list-style-type: none"> • Supports and reinforces innovation and entrepreneurship. • Recognizes employees living the values of the company and contributing towards the company's growth.

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NON-EXECUTIVE DIRECTORS

Non-executive directors are given per diem per meeting attended and a committee fee (where applicable). This approach of paying a per diem per meeting and per committee fees is in line with emerging best practice at listed companies.

Non-executive directors' fees are benchmarked against the market for companies of a similar size in a similar industry, tabled before the Board for approval, and thereafter proposed to shareholders for approval by special resolution at annual general meetings.

Non-executive directors do not receive any payments linked to Company performance and do not participate in any of the Company's incentive schemes. Non-executive directors are reimbursed for reasonable travel and subsistence expenses in line with the reimbursement policy for employees.

FAIR AND RESPONSIBLE REMUNERATION

MGHC is committed to fair and responsible remuneration across the company.

- Any possible remuneration disparities related will be identified. Any confirmed remuneration disparities will be investigated and addressed as soon as is practical / possible.
- Any unjustifiable differences in the terms and conditions of employment, including remuneration will be identified. Unjustifiable differences in pay and conditions of employment between employees at the same level will be addressed.
- MGHC believes its human resources plans/initiatives are critical in addressing remuneration disparities. This plan includes career mapping for employees across the company; development of employees; various training courses and an extensive employee value proposition, which amongst other provide for enabling/empowering work environment, a culture conducive to personal growth/opportunities.

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MARKET POSITION

The Company aims to pay:

- on the market median (50th percentile) for employees;
- in exceptional cases up to the upper quartile (75th percentile) for certain key jobs where there are premiums due to scarce and/or technical/specialized skills, and/or market pressures;
- in exceptional cases up to the upper quartile (75th percentile) for employees who are outstanding performers on a consistent basis. This is normally a relatively small percentage of the total employees.

MARKET SURVEYS

- In line with general market practice, the company compares itself to companies within its industry (by participating in industry surveys, as well as in general industry surveys).
- The main factor in assessing the influence that external salary levels (market pressures) should be allowed to exercise internally is the extent to which there is competition for the employees in question in the open market. The ability of the company to attract and retain the right caliber of employee is normally evidence of this.
- Discretionary elements of pay beyond benchmarked levels can be included for scarcity, attraction and retention purposes, where appropriate.
- Targeting remuneration to market levels is generally done on the basis of total guaranteed package.
- To remain competitive, market-related premiums will be considered for certain skills, employment equity purposes, and if there is a shortage of skills.

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REMUNERATION REVIEW

- A review of remuneration is conducted annually and the Board of Directors determines any resultant increase.
- Typically, a variety of factors, such as CPI, affordability, budgets, market movements/ trends, competitor remuneration, scarcity of skills, etc. is considered by the Remuneration Committee, in order to approve a mandate for the company.

REMUNERATION COMMITTEE DECEMBER 2017

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Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	<p>Compensation was paid to the officers and directors of the Company for 2017.</p> <p>There is no existing arrangement or consulting contract pursuant to which directors of the Company are compensated, directly or indirectly, for any services provided as director, nor are there any additional amounts payable to any of the Directors for committee participation or special assignments.</p>	<p>1. Senior Vice President- Compliance Officer</p> <p>2. VP-Accounting</p> <p>The management of the Company is currently being undertaken by the executive officers of the parent company who are seconded to the Company. For the seconded officers above-mentioned, the said officers receive fixed monthly compensation for their services to the Company.</p>
(2) Variable remuneration	See above.	See above.
(3) Per diem allowance	<p>Section 8 of the By-Laws of the Company provides: “Each director shall receive a reasonable per diem allowance for his attendance at each meeting of the board. As a compensation, the Board shall receive and allocate an amount of not more than five (5%) percent of the net income before income tax of the corporation during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem proper.”</p> <p>The directors receive a per diem of P10,000.00 per attendance at Board meetings. There is no provision in the above-quoted section that may be construed as precluding any director from serving in any other capacity and receiving any compensation therefor.</p>	N/A
(4) Bonus	N/A	N/A
(5) Stock Options and other financial instruments	The Company has not issued any warrant/option, and there is no outstanding warrant/option held by the CEO.	The Company has not issued any warrant/option, and there is no outstanding warrant/option held by the Company's officers or directors.

RPT	Relationship	Nature	Value
Fil-Estate Management, Inc.	Parent company	Cash advance to the Company as of December 31, 2018.	P802,063,113.00
MRTH I	Affiliate	Advances in prior years to be applied against future Dividends.	P213,740,407.00
MRTH II	Affiliate	Advances in prior years to be applied against future Dividends.	P119,728,217.00

Details of related party transactions may be found under Note 17 of the Notes to the Financial Statements which is included in the Company’s Annual Report and SEC Form 17A.

In order to attract and retain talents at all levels of the organization, it is the policy of the Company's parent company, whose officers and some employees are seconded to the Company, to maintain wage and salary standards and keep the pay or salary ranges consistent with the economic constraint and labor market in which we compete.

- Establish salary ranges that reflect the value of the various jobs, as determined by a system of continuing job evaluations and review.
- Establish and maintain justifiable differentials between job levels;
- Encourage superior performance by adjusting salary of each employee on the basis of the quality of individual performance, as maybe determined by performance evaluation;

Basis for Determination of Salary and Salary Changes

- Inflation rate, consumer price index (local), salary increases granted by comparable industries/employers within the established labor market
- Compensation survey (every 2-3 years) of benchmark positions
- To determine if nay job classifications should be reviewed for equity adjustment in salary/compensation.

Internal Alignment

A minimum and maximum salary is established for each position/job classification based upon external market data and upon the internal alignment of job classifications.

Review of Performance and Salary

- Performance of each employee is reviewed regularly.
- The merit of employee performance shall determine salary increase to be given.
- Employees are eligible to receive salary increase based on the ff: o
 - Compensation adjustment - when EXCOM determines that classifications and/or salary ranges should be adjusted.
 - Promotion
 - Reclassification
 - Upward - not automatic unless it is to bring the employee up to the minimum of the new salary range
 - Lateral - salary will remain unchanged
 - Downward - salary will remain unchanged until such time as general salary range adjustments increase the salary for the new classification

Risk Policy

Risk Exposure	Risk Management Policy	Objective
Financial exposure risk	The Company discourages the use of foreign currency denominated obligations to avoid foreign currency risks and exchange losses. On the other hand, the Company encourages the creation of US dollar denominated assets to take advantage of potential gains arising from foreign exchange movements. On balance, the Company maintains a margin currency position in each asset and liability management.	To avoid foreign currency risks and exchange losses.
Liquidity risk	The Company coordinates and negotiates closely with its parent company, Fil-Estate Management, Inc. to manage cash flow risks by jointly identifying new sources of cash flows through potential future investment and/or cash flow infusions into the Company over the next five years.	To manage cash flow risks
Credit risk	The Company’s cash is deposited with a reputable bank that belonged to the top three banks in the Philippines and is approved by management.	To maintain a high grade of credit quality of the Company’s financial assets
Equity price risk	Movement in share price of the Company is monitored regularly.	To determine the impact of the Company’s share price on its financial position
Capital Management	The company’s policy is to keep a gearing ratio of 60% or lower which is net debt divided by total capital.	To maintain a substantial capital base sufficient to support its long-term investment and holding company mandate.

Directorship in Other Companies

(i) Directorship in the Company’s Group

Director’s Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Robert John L. Sobrepeña	Fil-Estate Management, Inc., Metro Rail Transit Corporation, MRT Development Corporation, Monumento Rail Transit Corporation, CJH Development Corporation, CJH Hotel Corporation, Southwoods Ecocentrum Corporation, Club Leisure Management, Inc.	Chairman, ED
Atty. Ferdinand T. Santos	Fil-Estate Management, Inc., Global Estate Resort, Inc., MRT Development Corporation, Monumento Rail Transit Corporation, CJH Development Corporation, CJH Hotel Corporation	ED
Jaime M. Cacho	Camp John Hay Development Corporation. Metro Solar Power Solutions Inc, Metro Global renewable Corp, Metro Countrywide Corp.	NED,ED
Rafael Perez de Tagle, Jr.	MRT Development Corporation, CJH Development Corporation, CJH Hotel Corporation	ED
Atty. Alice Odchigue-Bondoc	CJH Development Corporation	ED

(ii) Directorship in Other Listed Companies

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Atty. Ferdinand T. Santos	Global-Estate Resorts, Inc.	Non-Executive

Board of Directors Self-Assessment

Board Self-Assessment Questionnaire

Use this scale in your response:

1=Strongly Disagree, 2=Disagree, 3 Undecided, 4=Agree, 5=Strongly Agree

Evaluation Questions

Rating

Overall

		1	2	3	4	5
1	The board is firmly committed to being held Accountable.					●
2	The board has critiqued, questioned, and approved management's corporate strategy.					●
3	The board can clearly articulate and communicate the company's strategic plan.					●
4	The board ensures effective operational execution by management.					●
5	The board aligns CEO leadership with the company's strategic challenges.					●
6	The board and the Compensation & Remunerations Committee foster an aggressive value-driven and performance-oriented culture that aligns officer compensation with long-term performance and innovation.					●
7	The board is knowledgeable about competitive factors, including customer satisfaction.					●

The Right People

8	The board's independent directors have a wide range of talents, expertise, and occupational and personal backgrounds.					●
9	The company's non-executive directors are independent-minded in dealing with company issues.					●
10	The board is intolerant of mediocrity in management and board effectiveness.					●
11	Directors do what is best for the corporation and shareholders regardless of counter-prevailing pressure.					●

The Right Culture

12	The board encourages a culture that promotes candid communication and rigorous decision making.					●
13	Directors and managers work together to achieve "constructive-interaction" - a healthy atmosphere of give and take.					●

Use this scale in your response:

1=Strongly Disagree, 2=Disagree, 3 Undecided, 4=Agree, 5=Strongly Agree

Evaluation Questions

Rating

The Right Issues

		1	2	3	4	5
14	The board focuses on activities that help the company maximize shareholder value.					●
15	The board consistently focuses on corporate strategy.					●
16	The board and management act in concert, while showing fidelity to their respective roles.					●
17	Directors study and understand relevant information in order to spend their time effectively and make informed decisions.					●
18	Director requests for information are reasonable in amount and time frame, enabling thorough and prompt replies.					●

The Right Process

19	The board has composed a description of specific duties, goals, and objective, and measures its performance against those responsibilities.					●
20	The board has designated an independent committee to monitor board composition.					●

The Right Follow-Through

21	The board effectively follows through on its recommendations developed during the evaluation process.					●
22	Evaluation leads to a clearer understanding of what the board must do to become a strategic asset.					●
23	The full board agrees on and approves actions to address areas in need of improvement.					●
24	The board initiates action plans with specific timelines for implementation or recommendations and monitors progress.					●

Prepared by

FRANCISCO J. GONZALEZ

Printed Name and Signature

Board Self-Assessment Questionnaire

Use this scale in your response:

1-Strongly Disagree, 2-Disagree, 3 Undecided, 4=Agree, 5-Strongly Agree

Evaluation Questions

Rating

Overall

		1	2	3	4	5
1	The board is firmly committed to being held Accountable.					✓
2	The board has critiqued, questioned, and approved management's corporate strategy.					✓
3	The board can clearly articulate and communicate the company's strategic plan.					✓
4	The board ensures effective operational execution by management.					✓
5	The board aligns CEO leadership with the company's strategic challenges.					✓
6	The board and the Compensation & Remunerations Committee foster an aggressive value-driven and performance-oriented culture that aligns officer compensation with long-term performance and innovation.					✓
7	The board is knowledgeable about competitive factors, including customer satisfaction.					✓

The Right People

8	The board's independent directors have a wide range of talents, expertise, and occupational and personal backgrounds.					✓
9	The company's non-executive directors are independent-minded in dealing with company issues.					✓
10	The board is intolerant of mediocrity in management and board effectiveness.					✓
11	Directors do what is best for the corporation and shareholders regardless of counter-prevailing pressure.					✓

The Right Culture

12	The board encourages a culture that promotes candid communication and rigorous decision making.					✓
13	Directors and managers work together to achieve "constructive interaction" - a healthy atmosphere of give and take.					✓

Use this scale in your response:

1-Strongly Disagree, 2-Disagree, 3 Undecided, 4=Agree, 5-Strongly Agree

Evaluation Questions

Rating

The Right Issues

		1	2	3	4	5
14	The board focuses on activities that help the company maximize shareholder value.					✓
15	The board consistently focuses on corporate strategy.					✓
16	The board and management act in concert, while showing fidelity to their respective roles.					✓
17	Directors study and understand relevant information in order to spend their time effectively and make informed decisions.					✓
18	Director requests for information are reasonable in amount and time frame, enabling thorough and prompt replies.					✓

The Right Process

19	The board has composed a description of specific duties, goals, and objective, and measures its performance against those responsibilities.					✓
20	The board has designated an independent committee to monitor board composition.					✓

The Right Follow-Through

21	The board effectively follows through on its recommendations developed during the evaluation process.					✓
22	Evaluation leads to a clearer understanding of what the board must do to become a strategic asset.					✓
23	The full board agrees on and approves actions to address areas in need of improvement.					✓
24	The board initiates action plans with specific timelines for implementation or recommendations and monitors progress.					✓

Prepared by

Roberto S. Roco
ROBERTO S. ROCO
Printed Name and Signature

Board Self-Assessment Questionnaire

Use this scale in your response:

1-Strongly Disagree, 2-Disagree, 3 Undecided, 4-Agree, 5-Strongly Agree

Evaluation Questions

Rating

Overall

		1	2	3	4	5
1	The board is firmly committed to being held Accountable.				✓	
2	The board has critiqued, questioned, and approved management's corporate strategy.			✓		
3	The board can clearly articulate and communicate the company's strategic plan.					✓
4	The board ensures effective operational execution by management.				✓	
5	The board aligns CEO leadership with the company's strategic challenges.				✓	
6	The board and the Compensation & Remunerations Committee foster an aggressive value-driven and performance-oriented culture that aligns officer compensation with long-term performance and innovation.				✓	
7	The board is knowledgeable about competitive factors, including customer satisfaction.				✓	

The Right People

8	The board's independent directors have a wide range of talents, expertise, and occupational and personal backgrounds.				✓	
9	The company's non-executive directors are independent-minded in dealing with company issues.				✓	
10	The board is intolerant of mediocrity in management and board effectiveness.					✓
11	Directors do what is best for the corporation and shareholders regardless of counter-prevailing pressure.					✓

The Right Culture

12	The board encourages a culture that promotes candid communication and rigorous decision making.					✓
13	Directors and managers work together to achieve "constructive-interaction" - a healthy atmosphere of give and take.					✓

Use this scale in your response:

1-Strongly Disagree, 2-Disagree, 3 Undecided, 4-Agree, 5-Strongly Agree

Evaluation Questions

Rating

The Right Issues

		1	2	3	4	5
14	The board focuses on activities that help the company maximize shareholder value.					✓
15	The board consistently focuses on corporate strategy.					✓
16	The board and management act in concert, while showing fidelity to their respective roles.				✓	
17	Directors study and understand relevant information in order to spend their time effectively and make informed decisions.				✓	
18	Director requests for information are reasonable in amount and time frame, enabling thorough and prompt replies.				✓	

The Right Process

19	The board has composed a description of specific duties, goals, and objective, and measures its performance against those responsibilities.				✓	
20	The board has designated an independent committee to monitor board composition.				✓	

The Right Follow-Through

21	The board effectively follows through on its recommendations developed during the evaluation process.				✓	
22	Evaluation leads to a clearer understanding of what the board must do to become a strategic asset.				✓	
23	The full board agrees on and approves actions to address areas in need of improvement.					✓
24	The board initiates action plans with specific timelines for implementation or recommendations and monitors progress.					✓

Prepared by

LAIME M. CACHO

Printed Name and Signature

Board Self-Assessment Questionnaire

Use this scale in your response
1=Strongly Disagree, 2=Disagree, 3 Undecided, 4=Agree, 5=Strongly Agree

Evaluation Questions

Rating

Overall

		1	2	3	4	5
1	The board is firmly committed to being held Accountable.					✓
2	The board has critiqued, questioned, and approved management's corporate strategy					✓
3	The board can clearly articulate and communicate the company's strategic plan					✓
4	The board ensures effective operational execution by management					✓
5	The board aligns CEO leadership with the company's strategic challenges					✓
6	The board and the Compensation & Remunerations Committee foster an aggressive value-driven and performance-oriented culture that aligns officer compensation with long-term performance and innovation					✓
7	The board is knowledgeable about competitive factors, including customer satisfaction					✓

The Right People

8	The board's independent directors have a wide range of talents, expertise, and occupational and personal backgrounds					✓
9	The company's non-executive directors are independent-minded in dealing with company issues					✓
10	The board is intolerant of mediocrity in management and board effectiveness					✓
11	Directors do what is best for the corporation and shareholders regardless of counter-prevailing pressure					✓

The Right Culture

12	The board encourages a culture that promotes candid communication and rigorous decision making					✓
13	Directors and managers work together to achieve "constructive interaction" – a healthy atmosphere of give and take					✓

Use this scale in your response

1=Strongly Disagree, 2=Disagree, 3 Undecided, 4=Agree, 5=Strongly Agree

Evaluation Questions

Rating

The Right Issues

		1	2	3	4	5
14	The board focuses on activities that help the company maximize shareholder value				✓	
15	The board consistently focuses on corporate strategy				✓	
16	The board and management act in concert, while showing fidelity to their respective roles				✓	
17	Directors study and understand relevant information in order to spend their time effectively and make informed decisions				✓	
18	Director requests for information are reasonable in amount and time frame, enabling thorough and prompt replies				✓	

The Right Process

19	The board has composed a description of specific duties, goals, and objective, and measures its performance against those responsibilities					✓
20	The board has designated an independent committee to monitor board composition				✓	

The Right Follow-Through

21	The board effectively follows through on its recommendations developed during the evaluation process				✓	
22	Evaluation leads to a clearer understanding of what the board must do to become a strategic asset				✓	
23	The full board agrees on and approves actions to address areas in need of improvement				✓	
24	The board initiates action plans with specific timelines for implementation or recommendations and monitors progress				✓	

Prepared by



EDUARDO R. SANTOS

Printed Name and Signature

Board Self-Assessment Questionnaire

Use this scale in your response

1-Strongly Disagree, 2-Disagree, 3 Undecided, 4-Agree, 5-Strongly Agree

Evaluation Questions

Rating

Overall

		1	2	3	4	5
1	The board is firmly committed to being held Accountable				X	
2	The board has critiqued, questioned, and approved management's corporate strategy				X	
3	The board can clearly articulate and communicate the company's strategic plan				X	
4	The board ensures effective operational execution by management			X		
5	The board aligns CEO leadership with the company's strategic challenges			X		
6	The board and the Compensation & Remunerations Committee foster an aggressive value-driven and performance-oriented culture that aligns officer compensation with long-term performance and innovation	X				
7	The board is knowledgeable about competitive factors, including customer satisfaction		X			

The Right People

8	The board's independent directors have a wide range of talents, expertise, and occupational and personal backgrounds			X		
9	The company's non-executive directors are independent-minded in dealing with company issues			X		
10	The board is intolerant of mediocrity in management and board effectiveness		X			
11	Directors do what is best for the corporation and shareholders regardless of counter-prevailing pressure		X			

The Right Culture

12	The board encourages a culture that promotes candid communication and rigorous decision making			X		
13	Directors and managers work together to achieve "constructive interaction" - a healthy atmosphere of give and take			X		

Use this scale in your response

1-Strongly Disagree, 2-Disagree, 3 Undecided, 4-Agree, 5-Strongly Agree

Evaluation Questions

Rating

The Right Issues

		1	2	3	4	5
14	The board focuses on activities that help the company maximize shareholder value			X		
15	The board consistently focuses on corporate strategy			X		
16	The board and management act in concert, while showing fidelity to their respective roles			X		
17	Directors study and understand relevant information in order to spend their time effectively and make informed decisions			X		
18	Director requests for information are reasonable in amount and time frame, enabling thorough and prompt replies			X		

The Right Process

19	The board has composed a description of specific duties, goals, and objective, and measures its performance against those responsibilities			X		
20	The board has designated an independent committee to monitor board composition			X		

The Right Follow-Through

21	The board effectively follows through on its recommendations developed during the evaluation process			X		
22	Evaluation leads to a clearer understanding of what the board must do to become a strategic asset			X		
23	The full board agrees on and approves actions to address areas in need of improvement			X		
24	The board initiates action plans with specific timelines for implementation or recommendations and monitors progress			X		

Prepared by

Printed Name and Signature

Individual Self-Assessment

Individual Director Self-Assessment						
Please rate each statement on a scale of 1 to 5.						
	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree	NA/ Don't Know
Governance Role						
1. I am familiar with the Company's Manual of Corporate Governance and policies.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. I maintain confidentiality and comply with conflict of interest policies.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. I support board decisions once they are made.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. I understand the distinction between the board's role to set direction and provide oversight and management's role to lead and direct operations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. I commit the time required to fulfill my governance responsibilities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Knowledge of the Company and the Environment						
6. I understand the Company's strategic plan, including mission, vision and values statements, and take these into account when making decisions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. I am comfortable with my level of knowledge about the Company's programs and role within the local environment.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. While not necessarily an expert, I have a good understanding of the Company's: a) Financial performance and condition; b) Quality performance and measures; and c) Key areas of risk and associated risk mitigation strategies.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. I understand and take into account the Company's accountability to stakeholders.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. I keep current on sector issues and trends that may have an impact on the Company or the needs of the community.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Effective Behavior and Relationships						
11. I effectively apply my knowledge, experience and expertise to matters before the board.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12. I ask questions or request information to help me make informed decisions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13. I exercise sound and balanced judgment considering all sides of issues before the board.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. I bring strategic focus in assessing situations and reaching conclusions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15. I am satisfied with my level of contribution as a director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16. I read materials in advance and come prepared for meetings.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
17. I listen well and respect other's ideas and perspectives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
18. I communicate effectively with my fellow directors at board and committee meetings.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. I am comfortable and constructive when expressing a minority opinion.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. I develop and maintain sound relationships as a team player with fellow directors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. I respect the contributions of board committees, being careful at board meetings to build on, not re-do, the work already done by committees.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. While maintaining my independence as a director, I interact respectfully, cooperatively and appropriately with the CEO and senior staff.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
23. I take advantage of board education opportunities to increase my effectiveness as a director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

FRANCISCO J. GONZALEZ
Printed Name and Signature

Individual Director Self-Assessment

Please rate each statement on a scale of 1 to 5.

	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree	NA/ Don't Know
--	---------------------------	---------------	--------------	------------	------------------------	----------------------

Governance Role

1.	I am familiar with the Company's Manual of Corporate Governance and policies.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2.	I maintain confidentiality and comply with conflict of interest policies.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3.	I support board decisions once they are made.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.	I understand the distinction between the board's role to set direction and provide oversight and management's role to lead and direct operations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5.	I commit the time required to fulfill my governance responsibilities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Knowledge of the Company and the Environment

6.	I understand the Company's strategic plan, including mission, vision and values statements, and take these into account when making decisions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7.	I am comfortable with my level of knowledge about the Company's programs and role within the local environment.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8.	While not necessarily an expert, I have a good understanding of the Company's: a) Financial performance and condition; b) Quality performance and measures; and c) Key areas of risk and associated risk mitigation strategies.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9.	I understand and take into account the Company's accountability to stakeholders.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10.	I keep current on sector issues and trends that may have an impact on the Company or the needs of the community.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree	NA/ Don't Know
--	---------------------------	---------------	--------------	------------	------------------------	----------------------

11.	I effectively apply my knowledge, experience and expertise to matters before the board.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12.	I ask questions or request information to help me make informed decisions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13.	I exercise sound and balanced judgment considering all sides of issues before the board.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14.	I bring strategic focus in assessing situations and reaching conclusions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15.	I am satisfied with my level of contribution as a director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Effective Behavior and Relationships

16.	I read materials in advance and come prepared for meetings.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
17.	I listen well and respect other's ideas and perspectives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
18.	I communicate effectively with my fellow directors at board and committee meetings.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19.	I am comfortable and constructive when expressing a minority opinion.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20.	I develop and maintain sound relationships as a team player with fellow directors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21.	I respect the contributions of board committees, being careful at board meetings to build on, not re-do, the work already done by committees.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22.	While maintaining my independence as a director, I interact respectfully, cooperatively and appropriately with the CEO and senior staff.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
23.	I take advantage of board education opportunities to increase my effectiveness as a director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Robert A. Roco
ROBERT A. ROCO
 Printed Name and Signature

Individual Director Self-Assessment

Please rate each statement on a scale of 1 to 5.

	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree	NA/ Don't Know
--	---------------------------	---------------	--------------	------------	------------------------	----------------------

Governance Role

1. I am familiar with the Company's Manual of Corporate Governance and policies.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. I maintain confidentiality and comply with conflict of interest policies.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. I support board decisions once they are made.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. I understand the distinction between the board's role to set direction and provide oversight and management's role to lead and direct operations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. I commit the time required to fulfill my governance responsibilities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Knowledge of the Company and the Environment

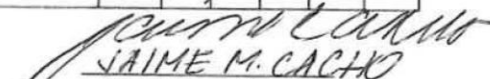
6. I understand the Company's strategic plan, including mission, vision and values statements, and take these into account when making decisions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. I am comfortable with my level of knowledge about the Company's programs and role within the local environment.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. While not necessarily an expert, I have a good understanding of the Company's: a) Financial performance and condition; b) Quality performance and measures; and c) Key areas of risk and associated risk mitigation strategies.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. I understand and take into account the Company's accountability to stakeholders.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. I keep current on sector issues and trends that may have an impact on the Company or the needs of the community.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree	NA/ Don't Know
--	---------------------------	---------------	--------------	------------	------------------------	----------------------

11. I effectively apply my knowledge, experience and expertise to matters before the board.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12. I ask questions or request information to help me make informed decisions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13. I exercise sound and balanced judgment considering all sides of issues before the board.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. I bring strategic focus in assessing situations and reaching conclusions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15. I am satisfied with my level of contribution as a director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Effective Behavior and Relationships

16. I read materials in advance and come prepared for meetings.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. I listen well and respect other's Ideas and perspectives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. I communicate effectively with my fellow directors at board and committee meetings.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. I am comfortable and constructive when expressing a minority opinion.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. I develop and maintain sound relationships as a team player with fellow directors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. I respect the contributions of board committees, being careful at board meetings to build on, not re-do, the work already done by committees.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. While maintaining my independence as a director, I interact respectfully, cooperatively and appropriately with the CEO and senior staff.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
23. I take advantage of board education opportunities to increase my effectiveness as a director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>


 JAIME M. CACHO
 Printed Name and Signature

Individual Director Self-Assessment

Please rate each statement on a scale of 1 to 5.

	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree	NA/ Don't Know
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Governance Role

1.	I am familiar with the Company's Manual of Corporate Governance and policies.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	I maintain confidentiality and comply with conflict of interest policies.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	I support board decisions once they are made.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	I understand the distinction between the board's role to set direction and provide oversight and management's role to lead and direct operations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	I commit the time required to fulfill my governance responsibilities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Knowledge of the Company and the Environment


6.	I understand the Company's strategic plan, including mission, vision and values statements, and take these into account when making decisions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.	I am comfortable with my level of knowledge about the Company's programs and role within the local environment.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.	While not necessarily an expert, I have a good understanding of the Company's: a) Financial performance and condition; b) Quality performance and measures; and c) Key areas of risk and associated risk mitigation strategies.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.	I understand and take into account the Company's accountability to stakeholders.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.	I keep current on sector issues and trends that may have an impact on the Company or the needs of the community.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree	NA/ Don't Know
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11.	I effectively apply my knowledge, experience and expertise to matters before the board.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12.	I ask questions or request information to help me make informed decisions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13.	I exercise sound and balanced judgment considering all sides of issues before the board.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14.	I bring strategic focus in assessing situations and reaching conclusions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15.	I am satisfied with my level of contribution as a director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Effective Behavior and Relationships

16.	I read materials in advance and come prepared for meetings.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17.	I listen well and respect other's ideas and perspectives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18.	I communicate effectively with my fellow directors at board and committee meetings.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19.	I am comfortable and constructive when expressing a minority opinion.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20.	I develop and maintain sound relationships as a team player with fellow directors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21.	I respect the contributions of board committees, being careful at board meetings to build on, not re-do, the work already done by committees.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22.	While maintaining my independence as a director, I interact respectfully, cooperatively and appropriately with the CEO and senior staff.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23.	I take advantage of board education opportunities to increase my effectiveness as a director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>


EDUARDO R. SANTOS
 Printed Name and Signature

Individual Director Self-Assessment

Please rate each statement on a scale of 1 to 5.

	1	2	3	4	5	NA/ Don't Know
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	

Governance Role

1. I am familiar with the Company's Manual of Corporate Governance and policies.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. I maintain confidentiality and comply with conflict of interest policies.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. I support board decisions once they are made.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. I understand the distinction between the board's role to set direction and provide oversight and management's role to lead and direct operations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. I commit the time required to fulfill my governance responsibilities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Knowledge of the Company and the Environment

6. I understand the Company's strategic plan, including mission, vision and values statements, and take these into account when making decisions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. I am comfortable with my level of knowledge about the Company's programs and role within the local environment.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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9. I understand and take into account the Company's accountability to stakeholders.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. I keep current on sector issues and trends that may have an impact on the Company or the needs of the community.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

	1	2	3	4	5
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
11. I effectively apply my knowledge, experience and expertise to matters before the board.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12. I ask questions or request information to help me make informed decisions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13. I exercise sound and balanced judgment considering all sides of issues before the board.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. I bring strategic focus in assessing situations and reaching conclusions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
15. I am satisfied with my level of contribution as a director.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Effective Behavior and Relationships

16. I read materials in advance and come prepared for meetings.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. I listen well and respect other's ideas and perspectives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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19. I am comfortable and constructive when expressing a minority opinion.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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21. I respect the contributions of board committees, being careful at board meetings to build on, not re-do, the work already done by committees.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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23. I take advantage of board education opportunities to increase my effectiveness as a director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Abdel M. Canino
Printed Name and Signature

BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

	Process	Criteria
Board of Directors	Periodic self-appraisal	Board discussions and participation
Board Committees	Periodic self-appraisal	Meeting targets/objectives set by the committees
Individual Directors	Periodic self-appraisal	Board discussions and participation
CEO/President	Periodic review of management	Meeting Company objectives and targets

Risks

The Company’s principal financial exposures consist of its payables to associates and stockholders. Such financial instruments were used in prior years to raise funds for 9 working capital and to retire interest-bearing US Dollar denominated bank loans. The Company, as a matter of policy, discourages the use of any foreign currency denominated obligations to avoid foreign currency risks and exchange losses. On the other hand, the Company encourages the creation of US dollar denominated assets to take advantage of potential gains arising from foreign exchange movements. On balance, the Company maintains a margin currency position in its asset and liability management function.

The residual financial risks from the Company’s financial instruments are cash flow/liquidity risks, credit risks and equity price risks. Cash flow/liquidity risk arises from the possibility that the Company may encounter difficulties in raising funds to meet or settle its obligations and to support the Company’s operations and activities.

The Company coordinates and negotiates closely with each principal stockholder to manage cash flow risks by jointly identifying new sources of cash flow infusions into the Company over the next five years.

Credit risk arises from the possibility of the Company incurring a loss due to the failure of the debtors to meet their contractual debt obligations.

The Company’s exposure to credit risk arises primarily from its deposits with banks of good credit rating. The maximum exposure to credit risk is equivalent to the carrying amount of these cash in banks.

The Company is exposed to fair value changes of its Available-For-Sale (AFS) investments in listed equity securities.

The Company’s policy is to maintain risk at an acceptable level. Movement in share price is monitored regularly to determine the impact on its financial position. The Company continuously conducts an internal review of its financial risks management objectives and policies.

METRO GLOBAL HOLDINGS INC.

PROCESS FOR APPROVING AND RECOMMENDING THE APPOINTMENT, REAPPOINTMENT, REMOVAL, AND FEES OF THE EXTERNAL AUDITORS

Metro Global Holdings Inc.'s (MGH) procedure for the selection and appointment of the External Auditor may vary from time to time.

Responsibility for Selection and Appointment

The Audit Committee is the custodian of MGH's External Auditor relationship and makes recommendations to the Board in relation to the appointment, termination and oversight of the External Auditor.

It also ensures that key partners within the appointed firm are rotated from time to time in accordance with Board policy.

Selection Criteria

MGH requires its External Auditor to review, test and challenge its accounting policies, accounting processes and internal financial controls.

Accordingly, MGH appoints as External Auditor an internationally recognized and respected accountancy firm which has access to expert international accounting standards, demonstrable audit quality control processes and substantial resources to carry out any assignment.

Selection and Appointment Process

Key aspects of the External Auditor selection and appointment process are:

- The Board is responsible for appointing the External Auditor, subject to shareholder approval.
- The Audit Committee will annually review the External Auditor's performance and independence and periodically benchmarks the cost and scope of the external audit engagement.
- The appointed External Auditor is required to present to the Audit Committee an annual external audit proposal.
- The Audit Committee, in consultation with management, will approve the scope of the audit, the terms of the annual engagement letter and audit fees.
- Management will prepare the annual engagement letter on behalf of the Audit Committee.
- Upon engagement, the External Auditor will have unfettered access to management, staff, records and company facilities, and is permitted reasonable, agreed time to conduct its audit.

Rotation of External Auditor Partners and Staff

The External Auditor is required to rotate any MGH audit and review of the lead audit partner every five years and other audit partners every seven years, and consider whether there should be regular rotation of the audit firm itself



METRO GLOBAL HOLDINGS CORP.

POLICY ON NON-AUDIT SERVICES

INTRODUCTION:

This document details Metro Global Holdings, Corporation’s (MGHC) policy in relation to the provision of non- audit services by the external auditors (“the Auditors”) on behalf of the MGHC and outlines the control processes that are in place to ensure compliance with this Policy.

The objectives of this Policy are:

- (a) to preserve the independence and objectivity of the Auditors in performing the mandatory audit, and
- (b) to avoid any conflict of interest by outlining both the types of work that the Auditors can and cannot undertake and the considerations that should be applied in assessing potential conflicts of interest.

Additionally the Audit Committee recognizes that the Auditor has significant knowledge of MGHC’s business and that this knowledge and experience can be utilised to the MGHC’s advantage in the provision of certain additional professional services. However, there is a need to balance these advantages against the need to maintain safeguards in those areas where there could be an external perception that the auditor’s independence and judgment may have been impaired through the award of non- audit assignments.

This policy provides guidance on the services that the Auditor may be asked to undertake and those services where the Auditor should not be involved.



METRO GLOBAL HOLDINGS CORP.

POLICY:

1. Audit - related services

Audit-related services are defined as those services that are specifically required of MGHC Auditor through regulatory, legislative or contractual requirements. Such services are considered to be wholly compatible with independent external audit services.

Such audit-related services include, but are not limited to:

- Assurance services required of the Auditor by the regulatory authorities in whose jurisdiction the company operates.
- Additional legislative or contractual requirements for mandatory reports to be undertaken by the Auditors.

2. Permitted Non Audit services

In addition to Audit-related Services, there are certain services that are best provided by the Auditors because of their existing knowledge of the business, or because the information required is a by-product of the audit process. Such services are typically not required to be provided by the Auditor by regulatory, legislative or contractual requirements however they are also considered to be wholly compatible with independent external audit services.

These include:

- a. Services that overlap with the audit process or where the use of a party other than the Auditor would result in significant duplication of audit work, including, for example, specific internal control reviews.



METRO GLOBAL HOLDINGS CORP.

- b. Services that the Auditors are not required by law to undertake, but where the information largely derives from the audited financial records.
- c. Tax compliance, where much of the information derives from the audited financial records.
- d. Other independent assurance work.

3. Non Audit Services that cannot be provided by the Auditors

Certain services are recognized as being wholly incompatible with the provision of independent external audit services.

The Auditor should not be engaged to perform any service, where to do so:

- would create a mutual or conflicting interest between the Auditor and MGHC
- might create a situation where by as part of other audit engagements the Auditor may need to re-evaluate rely on work performed as part of a non-audit service
- would involve the Auditor in decision making that is properly the preserve of management
- would involve the Auditor acting in a management capacity or as employee of MGHC
- would require the Auditor to act as an advocate or negotiate on behalf of MGHC.



METRO GLOBAL HOLDINGS CORP.

Examples of not permitted services are, but not limited to the following:

- a. Internal Audit - The Auditors cannot be engaged to provide internal audit services if, for the purposes of the audit of the financial statements, they would need to place significant reliance on the internal audit work or if the audit firm would take a management role as a result of undertaking the internal audit work.
- b. IT Services - The Auditors cannot be engaged to design, provide or implement information technology systems where the systems concerned would be important to any significant part of the accounting system or to the production of the financial statements and the Auditors would place significant reliance on them as part of the audit of the financial statements; or for the purposes of the provision of information technology services, the audit firm would undertake part of the role of management
- c. Valuation Services - Services that involve highly subjective judgements and are material to the financial statements of MGHC e.g. reports where the auditors provide an opinion on the adequacy of consideration in a transaction , valuation of real estate and financial instruments
- d. Litigation Support - If the work would involve the estimation of likely outcome of pending legal matter that could be material to amounts to be included in disclosures in financial statements and there is a significant degree of subjectivity involved.



METRO GLOBAL HOLDINGS CORP.

- e. Recruitment Services - The Auditor cannot be used to provide recruitment services or act as negotiators in the recruitment process for directors and key management positions at MGHC. The Auditor cannot be used to provide advice on the quantum of the remuneration package or the measurement criteria on which the quantum is calculated for directors or key management.
- f. Corporate Finance & Transaction Based Services - Services that would involve the audit firm taking responsibility for dealing in, underwriting or promoting shares (including broker –dealer services); or Services that would depend on a judgemental accounting treatment, or on a contingent fee basis if material to audit firm, or the outcome involves a future or contemporary audit judgement relating to a material balance in the financial statements.
- g. Accounting Services - Maintenance of accounting records or the preparation of financial statements that are then subject to audit.
- h. Legal Services - The Auditors cannot act as an advocate before a tribunal or court, if the issue is material to the financial statements; or dependent on a future or contemporary audit judgement.

4. Audit Committee responsibility

The Audit Committee is empowered to pre-approve all auditing and permitted non-audit services performed by the MGHC's Auditors. Likewise, the committee may delegate authority to sub-committees, including the authority to pre-approve all auditing and permitted non-audit services, providing that such decisions are presented to the full committee at its next scheduled meeting.

REPORT OF THE AUDIT COMMITTEE FOR THE YEAR ENDED DECEMBER 31, 2018**TO OUR STOCKHOLDERS:**

The Audit Committee (Committee) represents and assists the Board of Directors in fulfilling its oversight responsibility by reviewing the financial information which are provided to the shareholders and other stakeholders, the system of internal controls which management and Board of Directors have established, the performance and selection of independent accountants, and the Company's audit and financial reporting and risk management processes for compliance with laws and regulations. The Committee also has the primary responsibility for recommending the appointment, re-appointment, and removal of the external auditor.

As of December 31, 2018, the Committee has 4 members: 2 Non-executive Directors of them, 2 are independent directors. Last November 22, 2018, an annual stockholders' meeting was held.

The Committee had four (4) meetings in 2018, which included separate executive sessions of the Committee with the audit engagement partner of the independent registered public accounting firm, the internal auditors and management relative to the review and approval of the independent auditor's plan and the audited financial statements for 2018. Other meetings relate to the regulatory periodic financial filings.

In accordance with its Charter, the Committee reviewed and approved the independent auditor's plan for the audit of Metro Global Holdings' 2018 financial statements, including the major issues related to the audit of the financial statements as presented by the audit engagement partner.

The Committee reviewed the Company's annual audited financial statements and related disclosures, including (a) the quality as well as acceptability of the accounting principles applied in the financial statements and (b) new accounting standards, significant estimates, judgments, uncertainties and accounting policies relating to significant financial statement items, and discussed them with the independent auditors and with management, which has the primary responsibility for the financial statements.

The Company's independent auditor is responsible for expressing an opinion on the conformity of the company's audited financial statements with Philippine Financial Reporting Standards.

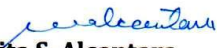
After diligent review and annual evaluation, the Committee:

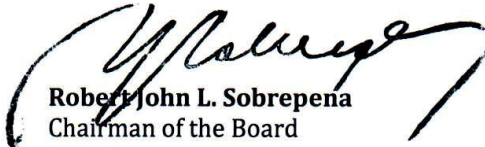
- Finds that the internal controls/risk management systems of the Company remain adequate;



- Affirms that the audited financial statements are true and fairly present the performance of the Company; and
- Endorses the appointment of Valdez, Abad and Co., CPAs as the new external auditor to comply with the rotation of lead audit partner every 5 years.

This report is respectfully submitted in behalf of the Committee of who likewise approved this report.


Solita S. Alcantara
Chief Audit Executive


Robert John L. Sobrepena
Chairman of the Board

Alternative Dispute Resolution

	Alternative Dispute Resolution System
Corporation & Stockholders	To be formulated
Corporation & Third Parties	Settlement Agreement
Corporation & Regulatory Authorities	Compliance and Payment of Penalties

THE COMPANY'S REWARD/COMPENSATION POLICY

In order to attract and retain talents at all levels of the organization, it is the policy of the Company's parent company, whose officers and some employees are seconded to the Company, to maintain wage and salary standards and keep the pay or salary ranges consistent with the economic constraint and labor market in which we compete.

- Establish salary ranges that reflect the value of the various jobs, as determined by a system of continuing job evaluations and review.
- Establish and maintain justifiable differentials between job levels;
- Encourage superior performance by adjusting salary of each employee on the basis of the quality of individual performance, as maybe determined by performance evaluation;

Basis for Determination of Salary and Salary Changes

- Inflation rate, consumer price index (local), salary increases granted by comparable industries/employers within the established labor market
- Compensation survey (every 2-3 years) of benchmark positions
 - To determine if nay job classifications should be reviewed for equity adjustment in salary/compensation.

Internal Alignment

A minimum and maximum salary is established for each position/job classification based upon external market data and upon the internal alignment of job classifications.

Review of Performance and Salary

- Performance of each employee is reviewed regularly.
- The merit of employee performance shall determine salary increase to be given.
- Employees are eligible to receive salary increase based on the ff:
 - Compensation adjustment - when EXCOM determines that classifications and/or salary ranges should be adjusted.
 - Promotion
 - Reclassification
 - Upward - not automatic unless it is to bring the employee up to the minimum of the new salary range
 - Lateral - salary will remain unchanged
 - Downward - salary will remain unchanged until such time as general salary range adjustments increase the salary for the new classification

COMPANY'S TRAINING AND DEVELOPMENT PROGRAMME

We are committed to having a workplace prepared to meet current and future business objectives by providing our employees, at all levels, with appropriate education and training opportunities.

a. All employees will be oriented in the philosophy, ethics, values, principles and business priorities of the company, such as induction into their group/department.

i. Company Orientation Programme is conducted to all new employees.

ii. Job Induction/orientation is also facilitated by the Immediate Superior - where job standards are met.

b. Our employees will only take up high job responsibilities when they have completed the minimum level of training specified for that job.

i. KSAs are defined per position.

ii. Attendance to public seminars and workshops are required to Address gap per KSA.

1. Officers (Managers up) are also encouraged to attend such seminars to update their KSAs.

iii. In-house training is also provided which are customized to the job needs as well as personal needs.

c. All first time managers shall successfully complete specified supervisory training within a specified period of appointment.

i. Promotional Program

i. Management Development Program

ii. Candidate must have attended a training program related to his present functions or to the operations of the department.



Effective immediately Metro Global Holdings, Corp. (MGHC) shall prohibit its employees and officers from soliciting and/ or accepting gifts offered by suppliers, contractors, customers, potential employees, potential suppliers and contractors, or any other individual or organization, no matter the value.

By "gifts," MGHC means any item including pens, hats, t-shirts, mugs, calendars, bags key chains, portfolios, and other tchotchkes as well as items of greater value. Exempted are cards, thank you notes, certificates, or other written forms of thanks and recognition.

Employees are required to professionally inform suppliers and contractors, potential suppliers and contractors and other of this no-gift policy. Employees will request that suppliers and contractors respect our company policy and not purchase and deliver any gift for our employees, a department, an office or the company, at any time, for any reason.

If an employee or department receives a gift: if feasible, the gift is returned to the suppliers and contractors; if not feasible to return the gift, the gift must be raffled off to all employees. Gifts of food that may arrive during the holidays, and at other times of the year when gift giving is traditional, belong to the entire staff even if addressed to a single employee. Under no circumstances may an employee take a food gift home; food gifts must be shared with and distributed to all staff.

MGHC
No Gift Policy December 2017
KMBenitez



METRO GLOBAL HOLDINGS CORP.

If any employee has questions about and/ or needs clarification of any aspect of this policy, the employees should check with their supervisor. If the supervisor is uncertain, Human Resources is the arbiter of the gift policy to ensure consistent employee treatment across the company. Any exceptions to the gift policy may be made only with the permission of the company president.

All employees must acknowledge that they have received and understand the company gift policy.

MGHC
No Gift Policy December 2017
KMBenitez



MGHC's Sustainability / Sustainable Development (*Abridged, May 28, 2017*)

Fil-Estate Corporation changed its official name in 2014 from to Metro Global Holdings Corporation (MGHC). Now the company will be acquiring two new subsidiaries under its recently effected re-organization: Metro Power Solutions, Inc. and Metro Renewable Energy Corporation.

These subsidiaries' very names aptly represent MGHC's future in pragmatic sustainability and sustainable development:

Specifically the company will be adding to its original portfolio (real estate development and management, IT and infrastructure, among others), projects or objectives in three phases over the next 10 years that involve solar (panels), wind (turbines), hydro and waste-to-energy power generation – all quintessentially “Green” initiatives.

These future objectives in various parts of the country such as Baguio in Benguet province, the NCR, Pililla in Rizal province and Iloilo in the Visayas will not be depleting the planet's natural resources during their operations, thus capturing the very definition of Sustainable Development, or “meeting the needs of the present without compromising the ability of future generations to meet their own needs”

In the case of waste-to-energy initiatives in Baguio and in Manila, there will be the additional benefit of a significant reduction in extremely detrimental manmade waste, as large quantities of rubbish is converted to genuinely usable power.

None of the projects will require compensatory or remedial measures to restore natural resources – such as would be the case by a logging concern in its need to reforest, for instance.

Additionally, none of the projects will spew any harmful by-products – gas emissions or solid and liquid secretions – into the earth's soil or atmosphere (such as would be the case in energy being generated from coal, for example).

In effect, the otherwise dreaded notion of *depletion* or *destruction* of natural resources is altogether a non-issue as MGCH will function sustainably to provide power to our energy-craved country.