

# COVER SHEET

9 1 4 2

SEC Registration No.

M E T R O  
G L O B A L  
H O L D I N G S  
C O R P O R A T I O N

(Company's Full Name)

M E Z Z A N I N E F L O O R , R E N A I S S A N C E  
T O W E R S , M E R A L C O A V E . , P A S I G

(Business Address: No. Street City/ Town/ Province)

**ALICE ODCHIGUE-BONDOC**

Contact Person

**86336205 loc. 113**

Company Telephone Number

## INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT FOR 2019

1 2 3 1

Month Day  
fiscal year

FORM TYPE

**1st Thursday of March**

Month Day  
annual meeting

Listed

Secondary License Type, If Applicable

C G F D

Dept. Requiring this Doc.

Amended Articles Number/ Section

Total Amount of Borrowings

Domestic

Foreign

\*\*\*\*\*

To be accomplished by SEC Personnel concerned

File Number

LCU

Dociment I.D.

Cashier

STAMPS



## SEC FORM – I-ACGR

### INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended December 31, 2019
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                                            (SEC Use Only)  
Province, Country or other                      Industry Classification Code:  
jurisdiction of incorporation or  
organization
7. Mezzanine Floor, Renaissance Towers, Meralco Avenue  
Pasig City, Metro Manila, Philippines                      1600.  
Address of principal office                      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
<b>The Board's Governance Responsibilities</b>			
<p><b>Principle 1:</b> 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.</p>			
<b>Recommendation 1.1</b>			
<p>1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.</p>	Compliant	<p>Please refer to company website                      Link: <a href="#">Board of Directors Trainings attended by the Directors on October 31, 2019 and March 5, 2020</a></p>	
<p>2. Board has an appropriate mix of competence and expertise.</p>	Compliant	<p><a href="#">Trainings attended by the Director on October 22, 2019 and March 5, 2020</a></p>	
<p>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.</p>	Compliant	<p>Link: <a href="#">MGH Amended By-Laws Article III- Board of Directors Section 2-Qualifications (page 3)</a></p>	
<b>Recommendation 1.2</b>			
<p>1. Board is composed of a majority of non-executive directors.</p>	Compliant	<p><a href="#">Annex "1"</a>                       Link: <a href="#">SEC Form 17-C dated 12/13/19 Election of Mr. Rafael Alunan III (12/13/19) as replacement for resigned Director Mr. Eduard R. Santos</a></p>	

<b>Recommendation 1.3</b>			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	<b>Link:</b> <u>2017 Revised Manual on Corporate Governance- provision 2.2 Board Governance 2.2.1 Board of Directors (page 5)</u> <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	<u>New director was sent to Institute of Corporate Directors orientation seminar on March 5, 2020</u>	
Company has relevant annual continuing training for all directors.	Compliant	<u>Trainings attended by the Directors on October 22, 2019</u>	
<b>Recommendation 1.4</b>			
1. Board has a policy on board diversity.	Compliant	<b>Link:</b> <u>2017 Revised Manual on Corporate Governance – Section 2.2.2 Composition of Board (page 5-6)</u>	
<b>Optional: Recommendation 1.4</b>			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	Compliant	<u>2017 Revised Manual on Corporate Governance</u>	

<b>Recommendation 1.5</b>			
1. Board is assisted by a Corporate Secretary.	Compliant	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.  <b>Link:</b> <a href="#">2017 Revised Manual on Corporate Governance – Section 2.4 The Corporate Secretary (pages 27-28) for the Qualifications, Duties and Functions.</a>	
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	<a href="#">Attendance to Seminar on Good Governance held on October 31, 2019 by Atty. Gilbert Reyes</a>	
<b>Optional: Recommendation 1.5</b>			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	Compliant	<a href="#">2017 Revised Manual on Corporate Governance</a>	
<b>Recommendation 1.6</b>			
1. Board is assisted by a Compliance Officer.	Compliant	Compliance Officer : Atty. <b>Alice O. Bondoc</b> <b>Link:</b> <a href="#">2017 Revised Manual on Corporate Governance – Section 2.1 Compliance System 2.1 Compliance Officer (pages 3-4) for the Qualifications, Duties and Functions.</a>	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant		
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	<p><b>Link:</b>  <a href="#">Trainings attended by the Directors for 2019</a></p> <p>Certificate of Attendance on October 31, 2019 Corporate Governance Seminar of Atty. Bondoc</p>	



**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.

<b>Recommendation 2.1</b>			
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	<b>Link:</b> <a href="#">2017 Revised Manual on Corporate Governance- Section 2.2.5 Responsibilities, Duties and Functions of the Board (pages 9-15)</a>	
<b>Recommendation 2.2</b>			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	<b>Link:</b> <a href="#">2017 Revised Manual on Corporate Governance</a> – 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		
<b>Supplement to Recommendation 2.2</b>			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	<b>Link:</b> <a href="#">Company's Vision, Mission and Core Values.</a>  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 <a href="#">Annex 2</a>	
<b>Recommendation 2.3</b>			

1. Board is headed by a competent and qualified Chairperson.	Compliant	Chairperson : ROBERT JOHN L. SOBREPENÑA Link: <a href="#">MGH Chairperson</a>	
<b>Recommendation 2.4</b>			
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: <a href="#">Succession Planning Policy Annex 3</a>	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant		
<b>Recommendation 2.5</b>			
Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	Link: <a href="#">2017 Revised Manual on Corporate Governance – Section 2.2.12 Remuneration of Directors and Officers.</a> Link: <a href="#">Remuneration Policy Annex 4</a> Link: <a href="#">MGH Amended By-Laws</a> Remuneration process and policy see <a href="#">Annex 5</a> Link: <a href="#">Annual Report 2019 Part III- Control and Compensation Information Item 10 Executive Compensation</a>	
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		
<b>Optional: Recommendation 2.5</b>			
1. Board approves the remuneration of senior executives.	Compliant	<a href="#">2017 Revised Manual on Corporate Governance</a>	
2. Company has measurable standards to align the performance-based remuneration of the executive	Compliant	Link: <a href="#">2017 Revised Manual on Corporate Governance</a>	



directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.		2017 Revised MCG – Sec. 2.2.5 also known as Responsibilities & Functions of the Board under item "ii" letter "S"	
<b>Recommendation 2.6</b>			
1. Board has a formal and transparent board nomination and election policy.	Compliant	Link: <a href="#">2017 Revised Manual on Corporate Governance</a>	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	Section 2.3.2 Nomination Committee <b>Link:</b> <a href="#">2017 Revised Manual on Corporate Governance – Section 6.1 INVESTORS' RIGHTS AND PROTECTION-6.1.2.4 Voting Rights (page 35-36)</a>	
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant	Link: <a href="#">MGH Amended By-Laws –</a>	
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant	Minority shareholders have a right to nominate candidates to the board	
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		

<b>Optional: Recommendation to 2.6</b>			
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.	Compliant	Link: <a href="http://metroglobalholdings.com/images/pdf/SEC-Form-17-C-Election-of-Rafael-Alunan-III.pdf">http://metroglobalholdings.com/images/pdf/SEC-Form-17-C-Election-of-Rafael-Alunan-III.pdf</a>	
<b>Recommendation 2.7</b>			
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 2019 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	<u>Annex 6</u> - provides the summary of outstanding balances as of December 31, 2019 of transactions that have been	

		entered into with related parties in prior years.	
<b>Supplement to Recommendations 2.7</b>			
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 considered for purposes of applying the thresholds for disclosure and approval.	Compliant	<b>Link:</b> <a href="#">2019 Annual Report</a> Part III- Control and Compensation Information Item 12-Certain Relationship and Related Transactions	
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	The company follow the voting system stated in the Amended By-Laws  <b>Link:</b> <a href="#">MGH Amended By-Laws</a> Article 5-Meeting Section 6	
<b>Recommendation 2.8</b>			

<p>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).</p>	<p>Compliant</p>	<p><b>Link:</b>  <u>2017 Revised Manual on Corporate Governance – Duties and Responsibilities of the Board (b) (pages 10)</u></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: <u>MGH Amended By-Laws</u></p>	
<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).</p>	<p>Compliant</p>	<p><b>Link:</b>  <u>2017 Revised Manual on Corporate Governance– Duties and Responsibilities of the Board (x) (pages 10)</u></p>	
<b>Recommendation 2.9</b>			
<p>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.</p>	<p>Compliant</p>	<p>Information on Board's performance management framework for management and personnel is provided in <u>Annex Z</u></p>	
<p>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.</p>	<p>Compliant</p>		

<b>Recommendation 2.10</b>			
1. Board oversees that an appropriate internal control system is in place.	Compliant	<b>Link:</b> <a href="#">2017 Revised Manual on Corporate Governance – Section 2.2.5 (ii.u.)- Responsibilities, Duties and Function of the Board</a> (page 12) and 2.2.10- Internal Control Responsibilities of the Board (page 18)	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant		
3. Board approves the Internal Audit Charter.	Compliant	<b>Link:</b> <a href="#">MGH Internal Audit Charter</a>	
<b>Recommendation 2.11</b>			
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	<b>Link:</b> <a href="#">2017 Revised Manual on Corporate Governance – Section 2.2.5 (ii.j.)- Responsibilities, Duties and Function of the Board</a> (page 11)  Risk Management Policy see <a href="#">Annex 8</a>	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the	Compliant		

effectiveness of risk management strategies.			
<b>Recommendation 2.12</b>			
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: <a href="#">2017 Revised Manual on Corporate Governance – Section 2.2. –Board Governance (page 5-19)</a>	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant		
3. Board Charter is publicly available and posted on the company's website.	Compliant	Link: <a href="#">MGH Amended By-Laws Art. 3 of MGH By-Laws</a>	
<b>Additional Recommendation to Principle 2</b>			
1. Board has a clear insider trading policy.	Compliant	Provided in the website under Corporate Governance- Company Policies <b>Link:</b> <a href="#">Insider Trading Policy</a>	
<b>Optional: Principle 2</b>			
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.	Compliant	The Company does not grant loans to Directors.	
2. Company discloses the types of decision requiring board of directors' approval.	Compliant	Link: <a href="#">MGH Amended By-Laws Art. 2 of MGH By-Laws</a>	
<b>Principle 3:</b> 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: <a href="#">MGH Board Committees</a>	
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**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: <a href="#">MGH Audit Committee Charter</a></p> <p>Link: <a href="#">2017 Revised Manual on Corporate Governance Section 2.3.4-Audit Committee (Page 23)</a></p>	
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2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	<p>Link: <a href="#">MGH Audit Committee</a></p> <p>Independent directors represents 20% of Board composition per mandate of law</p>	
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3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	<p>Link: <a href="#">MGH Audit Committee</a></p>	
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4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	<p>Link: <a href="#">MGH Board Committees</a></p>	
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**Supplement to Recommendation 3.2**

1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	<p>Link: <a href="#">MGH Audit Committee Charter – Under “Authority”</a></p>	
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		There were no non-audit services conducted by the external auditor for the year 2019.	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	<b>Link:</b> <a href="#">MGH Audit Committee Charter – Under “Authority and External Auditor”</a>	
<b>Optional: Recommendation to 3.2</b>			
1. Audit Committee meet at least four times during the year.	Compliant	Link: <a href="#">Attendance Sheet “Annex 22”</a>  AC meetings were held on April 10, May 14, August 5 and October 16, 2019.	
2. Audit Committee approves the appointment and removal of the internal auditor.	Compliant	Link: <a href="#">SEC Form 17-C (2019 Results of ASM &amp; Org. Meeting)</a>	
<b>Recommendation 3.3</b>			
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	<b>Link:</b> <a href="#">SEC Form 17-C (2019 Results of ASM &amp; Org. Meeting)</a>	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Compliant	<b>Link:</b> <a href="#">MGH Board Committees SEC Form 17-C (2019 Results of ASM &amp; Org. Meeting)</a> Independent directors represents 20% of Board composition per mandate of law	
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	<b>Link:</b> <a href="#">SEC Form 17-C (2019 Results of ASM &amp; Org. Meeting)</a>	
<b>Optional: Recommendation 3.3.</b>			



1. Corporate Governance Committee meet at least twice during the year.	Compliant	<p>Link: <a href="#">"Annex 21"</a>  Letter to Corporate Secretary of Nominations to the Board for the 2019 Annual Stockholders Meeting</p> <p>Minutes of Meeting of Corporate Governance Committee approving the submission of the 2018 I-ACGR</p>	
<b>Recommendation 3.4</b>			
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	<p><b>Link:</b>  <a href="#">SEC Form 17-C (2019 Results of ASM &amp; Org. Meeting)</a></p>	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	<p><b>Link:</b>  <a href="#">2017 Revised Manual on Corporate Governance Section 2.3.6 - Board Risk Oversight Committee (BROC) (Page 24-25)</a></p>	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Compliant	<p><b>Link:</b> <a href="#">MGH Board Committees SEC Form 17-C (2019 Results of ASM &amp; Org. Meeting)</a></p>	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant	<p><b>Link:</b>  <a href="#">2017 Revised Manual on Corporate Governance Section .3.6 - Board Risk Oversight Committee (BROC) (Page 24-25)</a></p>	
<b>Recommendation 3.5</b>			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material	Compliant	<p><b>Link:</b>  <a href="#">SEC Form 17-C (2019 Results of ASM &amp; Org. Meeting)</a></p>	

related party transactions of the company.			
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant	<b>Link:</b> <a href="#">2017 Revised Manual on Corporate Governance Section 2.3.7–Related Transactions Committee</a> (Page 25-27)	
<b>Recommendation 3.6</b>			
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	<b>Link:</b> <a href="#">2017 Revised Manual on Corporate Governance Section 2.3–Board Committees</a> (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	<b>Link:</b> <a href="#">MGH Board Committee Charters</a>	
<b>Principle 4:</b> 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.			
<b>Recommendation 4.1</b>			
1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person	Compliant	<b>Link:</b> <a href="#">2017 Revised Manual on Corporate Governance Section 2.2.6 Specific Duties</a>	

or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.		and Responsibilities of a Director (ii) (pages 14)  <u>By-Laws of MGH</u>  <u>2017 Annual Corporate Governance Report</u>	
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	<b>Link:</b> <u>2017 Revised Manual on Corporate Governance Section 2.2.6 Specific Duties and Responsibilities of a Director (iii) (pages 14)</u>	
<b>Recommendation 4.2</b>			
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	<b>Link:</b> <u>2017 Revised Manual on Corporate Governance Section 2.2.3– Multiple Board Seats (page 8)</u>  See <u>Annex 9</u> for the information on the directorships of the company's directors in both listed and non-listed companies	
<b>Recommendation 4.3</b>			
1. The directors notify the company's board before accepting a directorship in another company.	Compliant	<b>Link:</b> <u>2017 Revised Manual on Corporate Governance Section 2.2.6 Specific Duties</u>	

		and Responsibilities of a Director (i) (pages 13-14	
<b>Optional: Principle 4</b>			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	Compliant	See <a href="#">Annex 9</a>	
2. 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.
3. Board of directors meet at least six times during the year.	Compliant	Link: <a href="#">Website Corporate Disclosure SEC17-C</a>	
4. 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			
<b>Recommendation 5.1</b>			
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 <a href="#">Annex 1</a>	
<b>Recommendation 5.2</b>			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	<b>Link:</b> <a href="#">2017 Revised Manual on Corporate Governance</a> Section 2.2.2 Composition of the Board of Directors (page 6-7)	
<b>Supplement to Recommendation 5.2</b>			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	<b>Link:</b> <a href="#">2017 Revised Manual on Corporate Governance</a> Section 6.1 INVESTORS' RIGHTS AND PROTECTION-6.1.2 Voting Rights (page 35-36)	
<b>Recommendation 5.3</b>			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	<b>Link:</b> <a href="#">2017 Revised Manual on Corporate Governance</a> 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	<b>Link:</b> <a href="#">2017 Revised Manual on Corporate Governance</a> 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	Compliant	<b>Link:</b> <a href="#">2017 Revised Manual on Corporate Governance</a>	

<p>same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.</p>		<p><b>Section 2.2.2 Composition of the Board of Directors</b> (page 7) item 11</p>	
<b>Recommendation 5.4</b>			
<p>1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.</p>	<p>Non-compliant</p>	<p>Mr. Robert John Sobrepena is the Chairman of the Board and CEO of the Company.</p>	<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>I-ACGR 2018 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>
<p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p>	<p>Compliant</p>	<p><b>Link:</b>  <a href="#">2017 Revised Manual on Corporate Governance Section 2.2.4 The Chair and Chief Executive Officer</a> (pages 8-9)   <a href="#">MGH Amended By-Laws Art. IV Secs. 2 &amp; 4</a></p>	
<b>Recommendation 5.5</b>			

<p>1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.</p>	<p>Compliant</p>	<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. <b>Link:</b> <a href="#">2017 Revised Manual on Corporate Governance Section 2.2.2 Composition of the Board of Directors (page 8) item 11</a></p>	
<b>Recommendation 5.6</b>			
<p>1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.</p>	<p>Compliant</p>	<p><b>Link:</b> <a href="#">2017 Revised Manual on Corporate Governance Section 2.2.6 Specific Duties and Responsibilities of a Director (i) (pages 13-14)</a></p>	
<b>Recommendation 5.7</b>			

<p>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>		<p>Provided in the Revised Manual on Corporate Governance 2.2.6 Specific Duties and Responsibilities of a Director (vii) (pages 13-14)  Link:  <a href="#">2017 Revised Manual on Corporate Governance</a></p> <p>Provided in the Revised Manual on Corporate Governance 2.2.2 Composition of the Board of Directors (page 8) item 11  Link:  <a href="#">2017 Revised Manual on Corporate Governance</a></p> <p>The meetings are chaired by Francisco C. Gonzalez, an Independent Director.</p>	
<p>2. The meetings are chaired by the lead independent director.</p>	<p>Compliant</p>		

**Optional: Principle 5**

<p>1. None of the directors is a former CEO of the company in the past 2 years.</p>	<p>Non-Compliant</p>	<p>Robert John Sobrepena has been the CEO of the Company for the past 2 years</p>	
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**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, ,JMC,NMC) <u>Annex 10</u>	
2. The Chairman conducts a self-assessment of his performance.	Compliant	Individual Self-Assessment(RSR, , FCG,,NMC)	
3. The individual members conduct a self-assessment of their performance.	Compliant	<u>Annex 11</u>	
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 3 <sup>rd</sup> 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.
<b>Recommendation 6.2</b>			
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 <u>Annex "12"</u>	
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	<b>Link:</b> <a href="#">Code of Business Conduct and Ethics</a>	
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	<b>Link:</b> <a href="#">Code of Business Conduct and Ethics</a>	

**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	<b>Link:</b> <a href="#">Code of Business Conduct and Ethics</a>	
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<b>Recommendation 7.2</b>			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	<b>Link:</b> <a href="#">Code of Business Conduct and Ethics</a>	
		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.	
		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.	
		<a href="#">2017 Revised Manual on Corporate Governance</a> – Sec. 2.2.5 (ii) [z]	
		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.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant		

**Disclosure and Transparency**

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

<b>Recommendation 8.1</b>			
<p>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.</p>	<p>Compliant</p>	<p><u>2017 Revised Manual on Corporate Governance</u>            Sec. 2.2.5 also known as Responsibilities, Duties &amp; Functions of the Board (bb)</p>	
<b>Supplement to Recommendations 8.1</b>			
<p>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.</p>	<p>Compliant</p>	<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 105 days after the end of the fiscal year.</p> <p>Per SEC Memorandum Circular No. 5 Series of 2020 grants the extension of filing of 2019 Annual Report until 30 June 2020</p> <p>The Company filed its financial statements as part of its annual report on 30 June 2020.</p> <p><b>Link:</b> <u>2019 Annual Report</u></p> <p>The 2019 Quarterly reports were disclosed and published within 45 days from reporting period.</p> <p>Links:</p> <p><u>2019 Q1 Quarterly Report</u></p> <p><u>2019 Q2 Quarterly Report</u></p> <p><u>2019 Q3 Quarterly Report</u></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>	<p>Compliant</p>	<p>The Annual Report discloses the degree of ownership concentration, particularly the security ownership of certain beneficial owners and management.</p> <p>Link: <a href="#">2019 Annual Report</a></p> <p>Item 5: Market for Registrants Common Equity and Related Stockholders Matters</p> <p>The Company upholds and protects the rights of minority shareholders.</p> <p>Link: <a href="#">2017 Revised Manual on Corporate Governance</a> Page 35 –Sec. 6.1 Investors Right and Protection</p>	
<p><b>Recommendation 8.2</b></p>			
<p>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.</p>	<p>Compliant</p>	<p><a href="#">2017 Revised Manual on Corporate Governance</a> – <b>Sec. 2.2.6 (VIII)</b></p>	
<p>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.</p>	<p>Compliant</p>		

<b>Supplement to Recommendation 8.2</b>			
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 <b>Link:</b> <a href="#">General Information Sheet 2019 Top 100 shareholders</a>  <a href="#">Company's Conglomerate Map.</a>	
<b>Recommendation 8.3</b>			
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"  <b>Link:</b> <a href="#">2019 Annual Report</a>	
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"  <b>Link:</b> <a href="#">2019 Annual Report</a>	
<b>Recommendation 8.4</b>			
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: <a href="#">MGH Remuneration Charter</a>  <a href="#">MGH Amended By-Laws Art. 3 Sec. 8</a>  <a href="#">2017 Revised Manual on Corporate Governance</a> – Sec. 2.2.5 (ii) [s] Sec. 2.3.3	
2. Company provides a clear disclosure of its policies and procedure	Compliant	Link: <a href="#">MGH Remuneration Charter</a>	

for setting executive remuneration, including the level and mix of the same.		<p><u>MGH Amended By-Laws Art. 4 Sec. 13</u></p> <p><u>2017 Revised Manual on Corporate Governance– Sec. 2.2.5 (ii) [s] Sec. 2.3.3</u></p>	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	<p><b>Link:</b> <u>2019 Annual Report</u> Part III- Control and Compensation Information Item 10 Executive Compensation</p>	
<b>Recommendation 8.5</b>			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	<p><b>Link:</b> <u>Company Policies-Related Party Transactions Policy</u></p> <p>Provided in the Revised Manual on Corporate Governance <b>2.2.5 Responsibilities, Duties and Functions of the Board</b> (page 11-k&amp;l) Link: <u>2017 Revised Manual on Corporate Governance</u></p>	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	<p>Information on RPTs of the Company can be found in Note 17 of the Audited Financial Statements. <b>Link:</b> <u>2019 Annual Report</u></p>	
<b>Supplement to Recommendation 8.5</b>			

1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	<b>Link:</b> <a href="#">Code of Business Conduct and Ethics</a>	
<b>Principle : Recommendation 8.5</b>			
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. <b>Link:</b> <a href="#">2019 Annual Report</a>	
<b>Recommendation 8.6</b>			
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	<a href="#">2017 Revised Manual on Corporate Governance– Sec. 2.2.5 (ii) [bb] [cc]</a>	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant	These major decisions have to be approved by the Board of Directors and stockholders, as necessary.  <b>Link:</b> <a href="#">Annual Report Item 1 – Business development, Expansion of the Company's Primary Purpose</a>	
<b>Supplement to Recommendation 8.6</b>			



1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Compliant	Link: <a href="#">2017 Revised Manual on Corporate Governance</a>  Link: <a href="#">2019 Annual Report</a> Item 1 Business	
<b>Recommendation 8.7</b>			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	Link: <a href="#">2017 Revised Manual on Corporate Governance</a>	
2. Company's MCG is submitted to the SEC and PSE.	Compliant		
3. Company's MCG is posted on its company website.	Compliant		
<b>Supplement to Recommendation 8.7</b>			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	PSE Edge: <a href="#">MGH Manual on Corporate Governance</a> SEC: <a href="#">2017 Revised Manual on Corporate Governance</a>	
<b>Optional: Principle 8</b>			

1. Does the company's Annual Report disclose the following information:	Compliant	<p><b>Link:</b> <a href="#">2019 Annual Report</a></p> <p>Please refer to "Item 1. Business Development" and "Item 6. Management's Discussion and Analysis or Plan of Operations"</p> <p>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"</p> <p>Please refer to "Item 6. Management's Discussion and Analysis or Plan of Operation – "Other Matters"</p> <p>Please refer to "Item 5. Market for Registrants Common Equity and Related Stockholders Matters, Section (3) Dividends"</p>	
a. Corporate Objectives			
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	<p>Please refer to "Item 9. Directors and Executive Officers of the Registrant; Section (A) Executive Officers of the Registrant"</p> <p>Please refer to "Item 10. Executive Compensation"</p>	
g. Total remuneration of each member of the board of directors	Compliant	<p>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 attested to the company's compliance.</p>	
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	<p>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 attested to the company's compliance.</p>	

<p>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.</p>	<p>Compliant</p>	<p>The management gathers all material information before committing funds. The BOD reviews and approves policies of managing liquidity and credit risks.</p>	
<p>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.</p>	<p>Compliant</p>	<p>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.</p>	
<p>5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e.</p>	<p>Compliant</p>	<p>The company's Risk currently facing is attached as <u>Annex 13</u></p>	

financial, operational including IT, environmental, social, economic).			
<b>Principle 9:</b> 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.			
<b>Recommendation 9.1</b>			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	<a href="#">Annex 14 Audit Committee Process</a>	
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 Board approved the appointment of KL Siy& Associates, CPA as the Company's independent external auditor for the year 2019 to 2020 and this was ratified by the shareholders during the annual stockholders meeting held on December 6, 2019, where the Company received total votes in person and by proxy of 1,763,505,210 or 88.17% of common shares in favor of the approval of the appointment of KL Siy& Associates, CPA as Company's independent external auditor for the year 2019 to 2020. Link: <a href="#">Results of Annual Stockholder's Meeting and Organizational Meeting</a> Please refer to Number 2.4	
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant	The Company disclosed with the SEC and the PSE on December 9, 2019, the reason for the change in external auditors and the disclosure was posted in the Company's website, for the information of the shareholders and the public. Link: <a href="#">Change in External Auditor Disclosure</a>	

<b>Supplement to Recommendation 9.1</b>			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	Provided in the <a href="#">Audit Committee Charter</a>	
<b>Recommendation 9.2</b>			
1. Audit Committee Charter includes the Audit Committee's responsibility on: <ul style="list-style-type: none"> <li>i. assessing the integrity and independence of external auditors;</li> <li>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</li> <li>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</li> </ul>	Compliant	Link: <a href="#">Audit Committee Charter</a>	
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant	Link: <a href="#">Audit Committee Charter</a>	
<b>Supplement to Recommendations 9.2</b>			
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: <a href="#">Audit Committee Charter</a>	

2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	Link: <a href="#">Audit Committee Charter</a>	
<b>Recommendation 9.3</b>			
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 2019	
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: <a href="#">Audit Committee Charter "Authority"</a>  Link: policies on non-audit services <a href="#">Annex 15</a>	
<b>Supplement to Recommendation 9.3</b>			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	Audit Fees paid for 2019 amounted to Php200,000.00 There were no non-audit services conducted by the external auditor for 2019	

<b>Additional Recommendation to Principle 9</b>			
<p>1. Company's external auditor is duly accredited by the SEC under Group A category.</p>	<p>Compliant</p>	<p>1. Name of Audit Engagement Partner: <b>Arturo D. Sabino</b></p> <p>2. Accreditation number: <b>Partner – No. A-857-A (Conditional A)</b> <b>Firm – No. A-167-F (Conditional A)</b></p> <p>3. Date Accredited: <b>Partner – January 7, 2020</b> <b>Firm – January 7, 2020</b></p> <p>4. Expiry date of accreditation: <b>Partner – May 7, 2020</b> <b>Firm – May 7, 2020</b></p> <p>5. Name, address, contact number of the audit firm: <b>KL Siy &amp; Associates;</b> Unit 1104 Prestige Tower Condominium, Emerald Ave., Ortigas Center, Pasig City; <b>Tel. No. 02 7730-3015</b> <b>admin@klsiyassociates.com.ph</b></p>	
<p>2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).</p>	<p>Compliant</p>	<p>The firm KL Siy &amp; Associates agrees to be subjected to SOAR.</p>	

**Principle 10:** The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.

**Recommendation 10.1**

<p>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.</p>	<p>Compliant</p>	<p>Link: <a href="#">2017 Revised Manual on Corporate Governance</a></p>	
<p>2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.</p>	<p>Compliant</p>	<p>Link: <a href="#">2019 Annual Report – Part V-Exhibits &amp; Schedules – (2) 2019 Sustainability Report</a></p>	

**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**

<p>1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.</p>	<p>Compliant</p>	<p><a href="#">MGH Website</a> <a href="#">PSE Edge Portal-MGH</a> SEC i-view: <a href="https://ireport.sec.gov.ph/iview/index.html">https://ireport.sec.gov.ph/iview/index.html</a></p>	
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**Supplemental to Principle 11**



1. Company has a website disclosing up-to-date information on the following:	Compliant	<a href="#">MGH Website</a>	
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	<a href="#">MGH Website</a>	
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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.	
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<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>Compliant</p>	<p>The Company used COSO framework for Enterprise Risk Management</p> <p>Risk Management Policy see <a href="#">Annex 8</a></p> <p>The company's Risk currently facing is attached as <a href="#">Annex 13</a></p> <p>Periodic review is being done</p>	
<p><b>Supplement to Recommendations 12.1</b></p>			
<p>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.</p>	<p>Compliant</p>	<p><b>Link:</b> <a href="#">Code of Business Conduct and Ethics</a></p>	
<p><b>Optional: Recommendation 12.1</b></p>			
<p>1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.</p>	<p>Compliant</p>	<p>Framework in place but written Manual on Governance of IT Issues in the process of formulation</p>	
<p><b>Recommendation 12.2</b></p>			
<p>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.</p>	<p>Compliant</p>	<p>Internal Audit function is in-house.</p> <p>CAE from parent company is seconded to this company.</p>	

<b>Recommendation 12.3</b>			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	Ms. Solita S. Alcantara  <b>Link:</b> <a href="#">2017 Revised Manual on Corporate Governance 2.6.2.3</a>	
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: <a href="#">Internal Audit Charter</a>	
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	
<b>Recommendation 12.4</b>			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	Link: <a href="#">2017 Revised Manual on Corporate Governance</a>	
<b>Supplement to Recommendation 12.4</b>			
1. Company seeks external technical support in risk management when such competence is not available internally.	-Compliant	Link: <a href="#">2017 Revised Manual on Corporate Governance</a>	

<b>Recommendation 12.5</b>			
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	The company's Chief Risk Officer (CRO) is Atty. Ferdinand T. Santos  Information about the CRO is contained in the Annual Report  <b>Link:</b> <a href="#">2019 Annual Report</a> Please refer to "Item 9. Directors and Executive Officers of the Registrant - Section (A) Executive Officers of the Registrant"	
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.	
<b>Additional Recommendation to Principle 12</b>			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Compliant	<a href="#">Annex 16</a> for the CEO and CAE's attestation	
<b>Cultivating a Synergic Relationship with Shareholders</b>			
<b>Principle 13:</b> The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
<b>Recommendation 13.1</b>			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant		

		<a href="#">Link: 2017 Revised Manual on Corporate Governance</a> 6-Shareholders Benefits (pages 35-39)	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	<a href="#">Link: 2017 Revised Manual on Corporate Governance</a> 6-Shareholders Benefits (pages 35-39)	
<b>Supplement to Recommendation 13.1</b>			
1. Company's common share has one vote for one share.	Compliant	<a href="#">MGH Amended By-Laws</a> 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	<a href="#">MGH Amended By-Laws</a>	
3. Board has an effective, secure, and efficient voting system.	Compliant	<a href="#">MGH Amended By-Laws</a>	
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.	Compliant	<a href="#">MGH Amended By-Laws</a>	
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	<a href="#">MGH Amended By-Laws</a> Art. 5 Sec. 2	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	<a href="#">MGH Amended By-Laws</a>	
7. Company has a transparent and specific dividend policy.	Compliant	<a href="#">MGH Amended By-Laws</a> Art. 8 Sec. 2	
<b>Optional: Recommendation 13.1</b>			

1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	Compliant	Incumbent External Auditors	
<b>Recommendation 13.2</b>			
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	<p><b>Disclosure and Release of Notice of ASM to Shareholders</b></p> <p>The Company disclosed to the PSE the Company's SEC Form 20-IS Definitive Information Statement (DIS) on October 31, 2019. 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 November 8, 2019, which is (30) days prior to December 6, 2019, the date of actual meeting. The ASM was announced months before the actual date of the meeting and was posted to PSE Edge on October 3, 2019.</p> <p>Link: <a href="#">Notice of Annual Stockholders Meeting</a> <a href="#">Definitive Information Statement</a></p>	
<b>Supplemental to Recommendation 13.2</b>			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Compliant	Link: <a href="#">Definitive Information Statement</a>	

a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant	Link : <a href="#">Definitive Information Statement</a> Item No. 5- Directors and Executive Officers of Registrant	
b. Auditors seeking appointment/re-appointment	Compliant	Link : <a href="#">Definitive Information Statement</a> Please refer to page 2	
c. Proxy documents	Compliant	Link : <a href="#">Definitive Information Statement</a> Please refer to page 4	
<b>Optional: Recommendation 13.2</b>			
1. Company provides rationale for the agenda items for the annual stockholders meeting	Compliant	Link : <a href="#">Definitive Information Statement</a> Please refer to page 2	
<b>Recommendation 13.3</b>			
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: <a href="#">Results of Annual Stockholders Meeting</a>	
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: <a href="#">Results of Annual Stockholders Meeting</a>	
<b>Supplement to Recommendation 13.3</b>			
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 KLSiy& Associates, CPA , were also present during the annual	

		stockholders' meeting to answer shareholders' questions.	
<b>Recommendation 13.4</b>			
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- Sec. 2.2.5 (ii) [n]</u>	
<b>Recommendation 13.5</b>			
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	<b>Link:</b> <u>Results of Annual Stockholders Meeting</u>	
<b>Supplemental Recommendations to Principle 13</b>			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or	Compliant	Link: <u>MGH Amended By-Laws Article V-Meetings Section 5-Proxy (page 12)</u>	



the existing controlling shareholder group			
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% and is expected to increase once the Company's application for 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- Sec. 2.2.5 (ii)</u>	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	Non-compliant		The Company is in 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	Compliant	<u>2017 Revised Manual on Corporate Governance- Sec. 2.2.5 (ii) [g &amp; h]</u>	
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company in creating wealth, growth and sustainability.			
<b>Recommendation 14.2</b>			
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)	
<b>Recommendation 14.3</b>			
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	Stakeholders can voice their concerns and/or complaints for possible violation of their rights to the Investor Relations Officer, with following contact details:  MR. RAFAEL PEREZ DE TAGLE, Jr. Telephone: +632-706-1867 Fax: +632-706-1867 E-mail address: rperezdetagle@gmail.com  Relative to <u>Company Policies-Whistle-Blowing Policy</u>  2017 Annual Corporate Governance Report	
<b>Supplement to Recommendation 14.3</b>			
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	<u>2017 Revised Manual on Corporate Governance</u> - Sec. 2.2.5 (ii) [n] See <u>Annex 17</u>	
<b>Additional Recommendations to Principle 14</b>			
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 2019 especially	

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.		when it refers to corporate governance issue. However, Last January 7, 2019 the company filed a Notice of Application for confirmation exempt transaction with the SEC for the subscription of Fil-Estate Management, Inc. to the Corporation's net increase of authorized capital stock from P2Billion Pesos to P5Billion Pesos.  Link: <a href="#">Company Disclosure-Others</a>	
2. Company respects intellectual property rights.	Compliant	Please see link on MGH <a href="#">Code of Business Conduct and Ethics</a> under Confidential and Proprietary Information	
<b>Optional: Principle 14</b>			
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	<b>Link:</b> <a href="#">Code of Business Conduct and Ethics</a>	
<b>Principle 15:</b> 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.			


<b>Recommendation 15.1</b>			
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	<b>Link:</b> <a href="#">Code of Business Conduct and Ethics</a>	
<b>Supplement to Recommendation 15.1</b>			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	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 the Company. See <a href="#">Annex "18"</a> for the Reward/Compensation Policy (reference 2016 ACGR)	
2. Company has policies and practices on health, safety and welfare 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 the Company. 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	


		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 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 <u>Annex "19"</u> for the Company's Training And Development Program	
<b>Recommendation 15.2</b>			
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: <u>Code of Business Conduct and Ethics</u>  <u>Anti-Bribery and Anti-Corruption Policy</u>	
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.	
<b>Supplement to Recommendation 15.2</b>			
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 <u>Annex "20"</u>	


		No incidents of violations of the company policy found and reported.	
<b>Recommendation 15.3</b>			
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> <b>Link:</b> <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>	
<b>Principle 16:</b> 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.			
<b>Recommendation 16.1</b>			
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>	


<b>Optional: Principle 16</b>			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development		Link: <a href="#">2019 Annual Report – Part V-Exhibits &amp; Schedules – (2) 2019 Sustainability Report</a>	
2. Company exerts effort to interact positively with the communities in which it operates		Link: <a href="#">2019 Annual Report – Part V-Exhibits &amp; Schedules – (2) 2019 Sustainability Report</a>	


**SUBSCRIBED AND SWORN** to before me this JUL 22 2020 in PASIG CITY by the following who exhibited to me their respective valid I.D.'s a follows:


  
**ROBERT JOHN L. SOBREPENA**  
Chairman of the Board  
Senior Citizen ID No. 81301  
Pasig City issued 04/25/15


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

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

  
**RAFAEL M. ALUNAN III**  
Independent Director

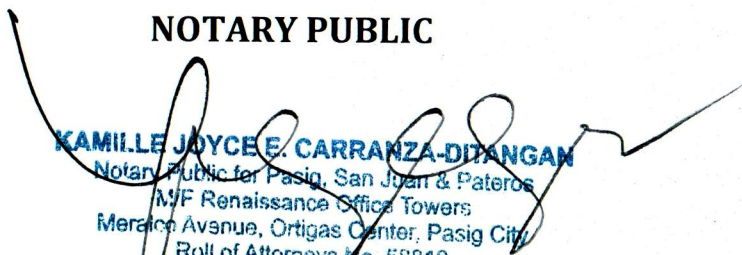
  
**ROBERTO S. ROCO**  
Independent Director  
Senior Citizen ID No. 21511  
Paranaque City issued 3/6/13

  
**ALICE ODCHIGUE-BONDOC**  
Chief Compliance Officer  
Integrate Bar of the Philippines  
ID No. 014624

  
**GILBERT RAYMUND T. REYES**  
Corporate Secretary  
Senior Citizen ID No. 44085-R  
Quezon City issued 05/3/18

Doc. No. 273;  
Page No. 56;  
Book No. XIII;  
Series of 2020

**NOTARY PUBLIC**

  
**KAMILLE JOYCE E. CARRANZA-DITANGAN**  
Notary Public for Pasig, San Juan & Pateros  
M/F Renaissance Office Towers  
Merano Avenue, Ortigas Center, Pasig City  
Roll of Attorneys No. 58810  
Appointment No. 31 (2019-2020)  
Commission Expires on December 31, 2020  
PTR No. 6442663 / 01.10.2020 / Pasig  
IBP LRN No. 988060 / 01.08.2015 / Cavite  
MCLE Compliance No. VI-0017577 / 2.11.2019



# Composition of the Board




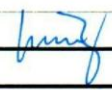

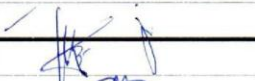







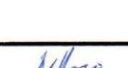


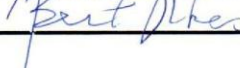

[Back to recommendation](#)

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) <sup>1</sup>	Elected when (Annual /Special Meeting)	No. of years served as director
Robert John L. Sobrepeña	ED	FEMI	FEMI	1996	September 13, 2007	Special Meeting	23
Ferdinand T. Santos	ED	FEMI	FEMI	1996	September 13, 2007	Special Meeting	23
Noel M. Cariño	NED	FEMI	FEMI	1996	September 13, 2007	Special Meeting	23
Rafael Perez de Tagle, Jr.	ED	FEMI	FEMI	2000	September 13, 2007	Special Meeting	19
Alice Odchigue-Bondoc	ED	FEMI	FEMI	2004	September 13, 2007	Special Meeting	15
Francisco C. Gonzalez	ID	FEMI	FEMI, no relation	2010	7	Special Meeting	9
Eduardo R. Santos	ID	FEMI	FEMI, no relation	2014	3	Special Meeting	5
Roberto S. Roco	NED	FEMI	FEMI, no relation	2015	2	Special Meeting	4
Jaime M. Cacho	NED	FEMI	FEMI	2018	April 12, 2018	Special Meeting	1

<sup>1</sup> Reckoned from the election immediately following January 2, 2013.

**REGISTRATION  
PLANNING SESSION 2019  
NOVEMBER 13, 2018**

COMPANY	NAME	SIGNATURE
FEMI	RJLS	✓
	FTS	✓
	NMC	
	Mon Jimenez ,	
	Sylvia Hondrade	
	Soc Gianan	
	Sol Alcantara	
	Atty. Kamille Carranza	
	Atty. Jojo Bondoc	✓
Kathy Benitez	✓ 	
MGH	Peng Perez de Tagle	
MCC	Jaime Cacho ,	
CJHDevCo	Boysie Yñiguez ,	✓
	Sean Bedi ,	
	Emily Falco ,	
PASS/FITERA	Edwin Hui	
Club Leisure	Tito Avanceña ,	
	Jayson Yu ,	
Smart Probe	Ronnie Samaniego	
	Joy Donato	
	Arlan DE Guzman	
	Jasper Espital	
SOLAR	Danial Rooznamenchi	
	Tom Teehan	
Coffee	Marlon Benitez	
	Annabelle Brillon	
MT. Zion	May Victoria	
	Friedrich Santos	
	Allan Lapira	
	Jun Artuz	
FERC	Boots Aquino	
	Mila Santarinala	
Consultants	Bobby Roco	
	Thad Aquino	
	Rene Olbes	
	Bert Olbes	



METRO GLOBAL HOLDINGS CORP.

## 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

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

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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.

MGHC  
Remuneration Policy December 2017  
KMBenitez



METRO GLOBAL HOLDINGS CORP.

### **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**

MGHC  
Remuneration Policy December 2017  
KMBenitez

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, 2019.	P773,371,405.00
MRTTH I	Affiliate	Advances in prior years to be applied against future Dividends.	P213,740,407.00
MRTTH II	Affiliate	Advances in prior years to be applied against future Dividends.	P119,728,217.00
MRTDC	Affiliate	Advances to be applied against future Dividends.	P14,249,803.00

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 any 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

[Back to recommendation](#) **Annex "8"**

## 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

<b>Director's Name</b>	<b>Corporate Name of the Group Company</b>	<b>Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.</b>
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
Noel M. Cariño	Fil-Estate Management, Inc., Fil-Estate Development, Inc., CJH Development Corporation, Fil-Estate Realty Corporation, CJH Hotel Corporation, CJH Suites Corporation	NED,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
Roberto S. Roco	Fil-Estate Realty Corp.	NED



(ii) Directorship in Other Listed Companies

<b>Director's Name</b>	<b>Name of Listed Company</b>	<b>Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.</b>
Atty. Ferdinand T. Santos	Global-Estate Resorts, Inc.	Non-Executive
Rafael M. Alunan, III	Pepsi-Cola Products Philippines, Inc.	Non-Executive

Board of Directors Self-Assessment

METRO GLOBAL HOLDINGS CORPORATION

BOARD EVALUATION AND ASSESSMENT QUESTIONNAIRE

Name of Assessor: <i>JAI ME M. CACHO</i>	Date Completed: <i>OCT 31, 2019</i>
Period Covered: 2019	

This Board Evaluation and Assessment Questionnaire is composed of varying statements based on the roles, functions and responsibilities of the Board found under the Company's Manual on Corporate Governance. Please evaluate how well the Board have performed for each criterion and indicate the rating at the appropriate box using the following rating scale:

Rating	Definition
5	Strongly Agree
4	Agree
3	Undecided
2	Disagree
1	Strongly Disagree

BOARD ASSESSMENT QUESTIONNAIRE

<i>JAI ME M. CACHO</i>	Rating Scale					Remarks
	1	2	3	4	5	

Evaluation Questions

Overall

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 the 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	
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JAIIME M. CAHIO

METRO GLOBAL HOLDINGS CORPORATION

BOARD EVALUATION AND ASSESSMENT QUESTIONNAIRE

13	Directors and managers work together to achieve "constructive-interaction" – a healthy atmosphere of give and take.					X
----	---	--	--	--	--	---

The Right Issues

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 order 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 the specific timelines for implementation or recommendations and monitors progress.				X	

Name of Assessor:	NOEL M. CARINO	Date Completed:
Period Covered:	2019	

This Board Evaluation and Assessment Questionnaire is composed of varying statements based on the roles, functions and responsibilities of the Board found under the Company's Manual on Corporate Governance. Please evaluate how well the Board have performed for each criterion and indicate the rating at the appropriate box using the following rating scale:

Rating	Definition
5	Strongly Agree
4	Agree
3	Undecided
2	Disagree
1	Strongly Disagree



**BOARD ASSESSMENT QUESTIONNAIRE**

	Rating Scale					Remarks
	1	2	3	4	5	

**Evaluation Questions**

**Overall**

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 the 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.						

**The Right Issues**

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 order 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 the specific timelines for implementation or recommendations and monitors progress.						

METRO GLOBAL HOLDINGS CORPORATION

BOARD EVALUATION AND ASSESSMENT QUESTIONNAIRE

Name of Assessor: <i>ROBERTO S. ROLD</i>	Date Completed:
Period Covered: 2019	

This Board Evaluation and Assessment Questionnaire is composed of varying statements based on the roles, functions and responsibilities of the Board found under the Company's Manual on Corporate Governance. Please evaluate how well the Board have performed for each criterion and indicate the rating at the appropriate box using the following rating scale:

Rating	Definition
5	Strongly Agree
4	Agree
3	Undecided
2	Disagree
1	Strongly Disagree

The Right Process

19	The board has composed a description of specific duties, goals, and objective and measures its performance against those responsibilities.					4	
20	The board has designated an independent committee to monitor board composition.					4	

The Right Follow - Through

21	The board effectively follows through on its recommendations developed during the evaluation process.					4	
22	Evaluation leads to a clearer understanding of what the board must do to become a strategic asset.					4	
23	The full board agrees on and approves actions to address areas in need of improvement.					4	
24	The board initiates action plans with the specific timelines for implementation or recommendations and monitors progress.					4	

BOARD ASSESSMENT QUESTIONNAIRE

	Rating Scale					Remarks
	1	2	3	4	5	

Evaluation Questions

Overall

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

The Right People

8	The board's independent directors have a wide range of talents, expertise, and occupational and personal backgrounds.					5	
9	The company's non-executive directors are independent-minded in dealing with company issues.					5	
10	The board is intolerant of mediocrity in management and board effectiveness.					5	
11	Directors do what is best for the corporation and shareholders regardless of counter-prevailing pressure.					5	

The Right Culture

12	The board encourages a culture that promotes candid communication and rigorous decision making.					5	
13	Directors and managers work together to achieve "constructive-interaction" – a healthy atmosphere of give and take.					5	

The Right Issues

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



Individual Self-Assessment

**METRO GLOBAL HOLDINGS CORPORATION**

**SELF-ASSESSMENT QUESTIONNAIRE (INDIVIDUAL DIRECTOR)**

<b>Name of Assessor:</b> NOEL M. CARINO	<b>Date Completed:</b>
<b>Period Covered:</b> 2019	

This Self-Assessment Questionnaire is composed of varying statements based on the roles, functions and responsibilities of the Board members found under the Company's Manual on Corporate Governance. Please evaluate how well you have performed for each criterion and indicate the rating at the appropriate box using the following rating scale:

Rating	Definition
5	Strongly Agree
4	Agree
3	Undecided
2	Disagree
1	Strongly Disagree

**INDIVIDUAL BOARD DIRECTOR'S SELF-ASSESSMENT**

	<b>Rating Scale</b>					<b>Remarks</b>
	1	2	3	4	5	

**Governance Role**

1	I am familiar with the Company's Manual of Corporate Governance and policies.						
2	I maintain confidentiality and comply with conflict of interest policies.						
3	I support board decisions once they are made.						
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.						
5	I commit the time required to fulfill my governance responsibilities						

**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.						
7	I am comfortable with my level of knowledge about the Company's programs and role within the local environment.						
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.						
9	I understand and take into account the Company's accountability to stakeholders.						
10	I keep current on sector issues and trends that may have an impact on the Company or the needs of the community.						
11	I effectively apply my knowledge, experience and expertise to matters before the board.						
12	I ask questions or request information to help me make informed decisions.						
13	I exercise sound and balanced judgment considering all sides of issues before the board						
14	I bring strategic focus in assessing situations and reaching conclusions.						
15	I am satisfied with my level of contribution						



**Effective Behavior and Relationships**

16	I read materials in advance and come prepared for meetings.								
17	I listen well and respect other's ideas and perspectives.								
18	I communicate effectively with my fellow directors at board and committee meetings.								
19	I am comfortable and constructive when expressing a minority opinion.								
20	I develop and maintain sound relationships as a team player with fellow directors.								
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.								
22	While maintaining my independence as a director, I interact respectfully, cooperatively and appropriately with the CEO and senior staff.								
23	I take advantage of board education opportunities to increase my effectiveness as a director.								

**METRO GLOBAL HOLDINGS CORPORATION**

**SELF-ASSESSMENT QUESTIONNAIRE (INDIVIDUAL DIRECTOR)**

Name of Assessor: <i>FRANCISCO C. GONZALEZ</i>	Date Completed: <i>Oct. 10/19</i>
Period Covered: 2019	

This Self-Assessment Questionnaire is composed of varying statements based on the roles, functions and responsibilities of the Board members found under the Company's Manual on Corporate Governance. Please evaluate how well you have performed for each criterion and indicate the rating at the appropriate box using the following rating scale:

Rating	Definition
5	Strongly Agree
4	Agree
3	Undecided
2	Disagree
1	Strongly Disagree

**INDIVIDUAL BOARD DIRECTOR'S SELF-ASSESSMENT**

	Rating Scale					Remarks
	1	2	3	4	5	

**Governance Role**

1	I am familiar with the Company's Manual of Corporate Governance and policies.								
2	I maintain confidentiality and comply with conflict of interest policies.								
3	I support board decisions once they are made.								
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.								
5	I commit the time required to fulfill my governance responsibilities								

**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.								
7	I am comfortable with my level of knowledge about the Company's programs and role within the local environment.								
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.								
9	I understand and take into account the Company's accountability to stakeholders.								
10	I keep current on sector issues and trends that may have an impact on the Company or the needs of the community.								
11	I effectively apply my knowledge, experience and expertise to matters before the board.								
12	I ask questions or request information to help me make informed decisions.								
13	I exercise sound and balanced judgment considering all sides of issues before the board								
14	I bring strategic focus in assessing situations and reaching conclusions.								
15	I am satisfied with my level of contribution								

**Effective Behavior and Relationships**

16	I read materials in advance and come prepared for meetings.								
17	I listen well and respect other's ideas and perspectives.								
18	I communicate effectively with my fellow directors at board and committee meetings.								
19	I am comfortable and constructive when expressing a minority opinion.								
20	I develop and maintain sound relationships as a team player with fellow directors.								
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.								
22	While maintaining my independence as a director, I interact respectfully, cooperatively and appropriately with the CEO and senior staff.								
23	I take advantage of board education opportunities to increase my effectiveness as a director.								



METRO GLOBAL HOLDINGS CORPORATION

SELF-ASSESSMENT QUESTIONNAIRE (INDIVIDUAL DIRECTOR)

Name of Assessor: <i>ROBERTO S Roco</i>	Date Completed:
Period Covered: 2019	

This Self-Assessment Questionnaire is composed of varying statements based on the roles, functions and responsibilities of the Board members found under the Company's Manual on Corporate Governance. Please evaluate how well you have performed for each criterion and indicate the rating at the appropriate box using the following rating scale:

Rating	Definition
5	Strongly Agree
4	Agree
3	Undecided
2	Disagree
1	Strongly Disagree

Effective Behavior and Relationships

16	I read materials in advance and come prepared for meetings.				5	
17	I listen well and respect other's ideas and perspectives.				5	
18	I communicate effectively with my fellow directors at board and committee meetings.				5	
19	I am comfortable and constructive when expressing a minority opinion.				5	
20	I develop and maintain sound relationships as a team player with fellow directors.				5	
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.				5	
22	While maintaining my independence as a director, I interact respectfully, cooperatively and appropriately with the CEO and senior staff.				5	
23	I take advantage of board education opportunities to increase my effectiveness as a director.				5	

INDIVIDUAL BOARD DIRECTOR'S SELF-ASSESSMENT

	Rating Scale					Remarks
	1	2	3	4	5	

Governance Role

1	I am familiar with the Company's Manual of Corporate Governance and policies.					5	
2	I maintain confidentiality and comply with conflict of interest policies.					5	
3	I support board decisions once they are made.					5	
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.					5	
5	I commit the time required to fulfill my governance responsibilities					5	

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.					5	
7	I am comfortable with my level of knowledge about the Company's programs and role within the local environment.					5	
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.					5	
9	I understand and take into account the Company's accountability to stakeholders.					5	
10	I keep current on sector issues and trends that may have an impact on the Company or the needs of the community.					5	
11	I effectively apply my knowledge, experience and expertise to matters before the board.					5	
12	I ask questions or request information to help me make informed decisions.					4	
13	I exercise sound and balanced judgment considering all sides of issues before the board					5	
14	I bring strategic focus in assessing situations and reaching conclusions.					5	
15	I am satisfied with my level of contribution					4	



**BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL**

	<b>Process</b>	<b>Criteria</b>
<b>Board of Directors</b>	Periodic self-appraisal	Board discussions and participation
<b>Board Committees</b>	Periodic self-appraisal	Meeting targets/objectives set by the committees
<b>Individual Directors</b>	Periodic self-appraisal	Board discussions and participation
<b>CEO/President</b>	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.

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.



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- 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.



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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.



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- 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.



" " "

[Back to recommendation](#)

## ANNEX 16

### 2019 ATTESTATION OF INTERNAL CONTROL AND COMPLIANCE SYSTEM


Metro Global Holdings Corporation's corporate governance system include a combination of internal and external mechanisms such as the structure of the board of directors and our committees, oversight of management, and sound policies and controls.

- The Board of Directors is responsible in providing governance and overseeing the implementation of adequate internal control mechanisms and risk management process;
- Management has the primary responsibility to design and implement adequate and effective system of internal controls and risk management processes to ensure compliance with laws, rules, and regulations;
- Management is responsible to develop a system to monitor and manage risks;
- K.L. Siy & Associates, CPA, the Company's independent external auditor for the year 2019 to 2020, is responsible for assessing expressing an opinion on the conformity of the audited financial statements with Philippine Financial Reporting Standards and the overall quality of the financial reporting process;
- Internal Audit develops an annual work plan based on a prioritization of the audit universe using a risk-based methodology, including input of senior management and conducts reviews to assess the adequacy of the Company's internal controls;
- The Chief Audit Executive reports functionally to the Audit Committee and administratively to the Chief Executive Officer to ensure independence and objectivity allowing Internal Audit to fulfill its responsibilities; and
- Internal Audit activities adhere to The Institute of Internal Auditors' mandatory guidance, including the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing.

Based on the above and the assurance provided by the internal auditors as well as the external auditors as a result of their reviews, we attest that Metro Global Holdings Corporation's system of internal controls, risk management, compliance, and governance processes are designed adequately and continue to operate effectively.

  
**Robert John L. Sobrepna**  
 Chief Executive Officer

  
**Francisco C. Gonzalez**  
 Audit Committee Chairman

  
**Solita S. Alcantara, CIA**  
 Chief Audit Executive

**Alternative Dispute Resolution**

	<b>Alternative Dispute Resolution System</b>
<b>Corporation &amp; Stockholders</b>	To be formulated
<b>Corporation &amp; Third Parties</b>	Settlement Agreement
<b>Corporation &amp; Regulatory Authorities</b>	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.



METRO GLOBAL HOLDINGS CORP.

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



METRO GLOBAL HOLDINGS CORP.

16 October 2019

**ATTY. GILBERT RAYMUND T. REYES**  
Corporate Secretary  
Metro Global Holdings Corporation  
Mezzanine Floor, Renaissance Towers  
Meralco Avenue, Pasig City

POBLADOR  
BAPTISTA  
RECEIVED  
By:   
Date/Time: 17 OCT 2019  
4:19 PM

Dear Atty. Reyes:

We hereby present the following nine (9) nominees to the Board of Directors of Metro Global Holdings Corporation for fiscal year 2019-2020:

1. Robert John L. Sobrepeña
2. Atty. Ferdinand T. Santos
3. Noel M. Cariño
4. Jaime M. Cacho
5. Atty. Alice Odchigue-Bondoc
6. Rafael Perez de Tagle, Jr.
7. Roberto S. Roco
8. Eduardo R. Santos
9. Francisco C. Gonzalez

Very truly yours,

**METRO GLOBAL HOLDINGS CORPORATION**

By:

**ATTY. FERDINAND T. SANTOS**  
Chairman  
Nomination Committee



MINUTES OF THE SPECIAL MEETING  
OF THE CORPORATE GOVERNANCE COMMITTEE

OF

**METRO GLOBAL HOLDINGS CORPORATION**

Held on 23 May 2019  
Mezzanine Floor, Renaissance Towers  
Meralco Avenue, Pasig City

**PRESENT:**

FRANCISCO C. GONZALEZ  
EDUARDO R. SANTOS  
ROBERT JOHN L. SOBREPENA  
ROBERTO S. ROCO  
JAIME M. CACHO  
ATTY. ALICE ODCHIGUE-BONDOC

1. The Chairman of the Corporate Governance Committee (the "Committee"), Mr. Francisco C. Gonzalez called the meeting to order and presided over the same. The Assistant Corporate Secretary, Atty. Alice Odchigue-Bondoc, recorded the minutes of the proceedings.

2. The Assistant Corporate Secretary certified the presence of a quorum; hence, the meeting of the Committee proceeded with the transaction of corporate business.

3. Upon motion made and seconded, the reading of the minutes of the previous meeting of the Committee was dispensed with and the minutes approved without reading.

4. Upon motion made and seconded, the following resolutions were unanimously approved:

**"RESOLVED**, That the Committee hereby approves the DRAFT Integrated Annual Corporate Governance Report for the fiscal year ended 2018 as reflected in attached **Annex "A"** herein;

**"RESOLVED**, FURTHER, that the Committee shall present before the Board of Directors of the Corporation such Integrated Annual Corporate Governance Report for their approval and the filing thereof at the Securities and Exchange Commission and the Philippine

.. .


Stock Exchange as required by existing rules and regulations of the said regulatory entities.”

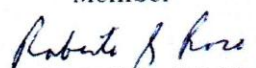
5. There being no further business, upon motion made and seconded, the meeting was adjourned.

ATTEST:

  
**FRANCISCO C. GONZALEZ**  
Chairman

**EDUARDO R. SANTOS**  
Member

  
**ROBERT JOHN L. SOBREPENA**  
Member

  
**ROBERTO S. ROCO**  
Member

  
**JAIME M. CACHO**  
Member

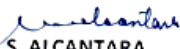
  
**ALICE ODCHIGUE-BONDOC**  
Member

Metro Global Holdings Corporation  
Minutes of the Meeting  
April 10, 2019 at 3:15 - 4:45PM

Present: Mr. Francisco Gonzalez, Chairman - Independent Director  
Mr. Roberto Roco, Member – Director  
Mr. Eduardo Santos, Member – Independent Director  
Ms. Solita Alcantara – Member

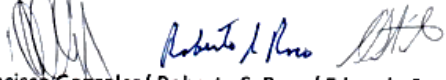
**Agenda: Review of the Financial Statements (FS) and Notes to FS prior to its approval by the Board.**

Minutes Prepared By:

  
**SOLITA S. ALCANTARA**  
CAE and AC Member

/ssa04.11.2019

Reviewed and Noted By:


  
**Francisco Gonzalez/ Roberto S. Roco/ Eduardo Santos**  
Audit Committee Chairman and Members

Metro Global Holdings Corporation  
Audit Committee Minutes of the Meeting  
May 14, 2019 10:00am – 11:00 am, MGH Board room

**Present:** Francisco Gonzalez, AC Chairman  
Roberto S. Roco, AC Member  
Eduardo Santos, AC Member  
Solita S. Alcantara, AC Member, CAEI  
Marissa Dallo, Accounting Manager (Mr. Ramon Jimenez, not present)

**Objectives:** (1) Quarterly Audit Committee meeting for the review of 1<sup>st</sup> Quarter Financial Report before approval and submission to SEC & BIR.

Prepared By:

  
**Solita S. Alcantara**  
CAE & AC Member  
/ssa05.21.2019

  
**Francisco Gonzalez**  
AC Chairman, ID

Conforme:

  
**Roberto S. Roco**  
AC Member

**Eduardo Santos**  
AC Member, Independent Director

**Metro Global Holdings Corporation**  
**Attendance Sheet**  
**August 5, 2019, 10 AM**

**MGHC Board room, Mezzanine Floor, Renaissance Tower F, Pasig City**

1. FRANCISO C. GONZALEZ  
Chairman

  
\_\_\_\_\_

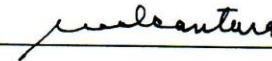
2. EDUARDO SANTOS  
Member

\_\_\_\_\_

3. ROBERTO S. ROCO  
Member

  
\_\_\_\_\_


4. SOLITA S. ALCANTARA  
CAE/Member

  
\_\_\_\_\_

5. RAMON G. JIMENEZ  
Chief Finance Officer

  
\_\_\_\_\_

6. MARISSA DALLO  
Accounting Manager

  
\_\_\_\_\_

7. KATHLEEN L. SIY  
External Auditor

\_\_\_\_\_







METRO GLOBAL HOLDINGS CORP.  
**Audit Committee Meeting**  
**October 16, 2019**

Time: 10:30 AM

Agenda: Review of 2nd Qtr F.S. ending Sept. 30, 2019

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**Attendance Sheet**

Name	Signature
Francisco Gonzalez	
Roberto Roco	
Eduardo Santos	
Solita Alcantara	
Marissa Dallo	