

CONSOLIDATED CHANGES IN THE ACGR FOR 2014

SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT

GENERAL INSTRUCTIONS

(A) Use of Form ACGR

This SEC Form shall be used to meet the requirements of the Revised Code of Corporate Governance.

(B) Preparation of Report

These general instructions are not to be filed with the report. The instructions to the various captions of the form shall not be omitted from the report as filed. The report shall contain the numbers and captions of all items. If any item is inapplicable or the answer thereto is in the *negative*, an appropriate statement to that effect shall be made. Provide an explanation on why the item does not apply to the company or on how the company's practice differs from the Code.

(C) Signature and Filing of the Report

- A. Three (3) complete sets of the report shall be filed with the Main Office of the Commission.
- B. At least one complete copy of the report filed with the Commission shall be **manually** signed.
- C. All reports shall comply with the full disclosure requirements of the Securities Regulation Code.
- D. This report is required to be filed annually together with the company's annual report.

(D) Filing an Amendment

Any material change in the facts set forth in the report occurring within the year shall be reported through SEC Form 17-C. The cover page for the SEC Form 17-C shall indicate "Amendment to the ACGR".

SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT


1. Report is Filed for the Year : 2014
2. Exact Name of Registrant as Specified in its Charter: MRC Allied Inc.
3. 5/F Eurovilla 4 Bldg., 853 A. Arnaiz Ave., Legaspi Village Makati City 1223
Address of Principal Office Postal Code
4. SEC Identification Number: 184228
5.  (SEC Use Only)
Industry Classification Code
6. BIR Tax Identification Number: 049-000-275-291
7. (02) 846-7910
Issuer's Telephone number, including area code
8. 2nd Floor, Benisons Shopping Center, C. M. Recto cor. Dagupan St., Tondo, Manila
Former name or former address, if changed from the last report

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A. BOARD MATTERS

- 1) Board of Directors as of September 18, 2014 ASHM.

Number of Directors per Articles of Incorporation	SEVEN (7)
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Actual number of Directors for the year 2014	SIX (6)
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- (a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) ¹	Elected when (Annual /Special Meeting)	No. of years served as director
Benjamin M. Bitanga	Executive Director (ED)					Annual Meeting	4
Jimmy T. Yaokasin	Non Executive Director (NED)					Annual Meeting	4
Joel D. Muyco	Independent Director (ID)				3 years	Annual Meeting	3
Bernard B. Rabanzo	Non Executive Director (NED)					Annual Meeting	3
Edwin H. Monzon	Non Executive Director (NED)	BMB	No relationship			Annual Meeting	2
Michael B. Arciso	Independent Director (ID)	BMB	No relationship		2	Special Meeting	2

- (b) Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please emphasize the policy/ies relative to the treatment of all shareholders, respect for the rights of minority shareholders and of other stakeholders, disclosure duties, and board responsibilities.

The Board has adopted the Corporate Governance Manual of MRC which institutionalizes the principles of good corporate governance in the entire organization.

Among others, the following policies were essentially adopted in the Manual: (a) Policy to insure adherence to corporate principles and best practices; (b) Policy on ensuring procedural and organization control; (c) Policy on ensuring mechanisms for monitoring and evaluation Management's performance; and (d) Policy adopting a system of internal checks and balances.

- (c) How often does the Board review and approve the vision and mission?

The Board reviews the company vision and mission on a yearly basis. Usually it is done during its regular meeting at least one month prior to the Annual Shareholder's Meeting.

- (d) Directorship in Other Companies

¹ Reckoned from the election immediately following January 2, 2012.

(i) Directorship in the Company's Group²

Identify, as and if applicable, the members of the company's Board of Directors who hold the office of director in other companies within its Group:

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Benjamin M. Bitanga	MENLO	ED, Chairman
Bernard B. Rabanzo	MENLO	ED

(ii) Directorship in Other Listed Companies

Identify, as and if applicable, the members of the company's Board of Directors who are also directors of publicly-listed companies outside of its Group:

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
N/A		

(iii) Relationship within the Company and its Group

Provide details, as and if applicable, of any relation among the members of the Board of Directors, which links them to significant shareholders in the company and/or in its group:

Director's Name	Name of the Significant Shareholder	Description of the relationship
N/A		

(iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines: N/A

	Guidelines	Maximum Number of Directorships in other companies
Executive Director	N/A	
Non-Executive Director		
CEO		

(e) Shareholding in the Company

Complete the following table on the members of the company's Board of Directors who directly and indirectly own shares in the company:

² The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Benjamin M. Bitanga	1	2,484,747	0.02
Jimmy T. Yaokasin	1	1	0
Michael B. Arciso	1	1	0
Bernard B. Rabanzo	1,000	1000	0
Edwin H. monzon	1,000	1000	0
Joel D. Muyco	1	1	0
TOTAL	2,004	2,470,004	0.02

2) Chairman and CEO

- (a) Do different persons assume the role of Chairman of the Board of Directors and CEO? If no, describe the checks and balances laid down to ensure that the Board gets the benefit of independent views.

Yes ☐

No ☒

Identify the Chair and CEO:

Chairman of the Board	Benjamin M. Bitanga
CEO/President	Pres.- Benjamin M. Bitanga

In its Corporate Governance Manual, the company adopts and institutionalizes a system to ensure checks and balances within the Board and Management.

(b) Roles, Accountabilities and Deliverables

Define and clarify the roles, accountabilities and deliverables of the Chairman and CEO.

	Chairman	Chief Executive Officer
Role	Act as head of the Board	Act as head of Management
Accountabilities	Accountable for acts of the Board	Accountable for acts of Management
Deliverables	Act as Presiding Officer of Board	Act as Key Officer of Management

3) Explain how the board of directors plan for the succession of the CEO/Managing Director/President and the top key management positions?

The plan of succession is to be decided by the Board based on the applicable provisions of the Corporate Governance Manual and consistent with the Articles and By Laws of the Company.

4) Other Executive, Non-Executive and Independent Directors

Does the company have a policy of ensuring diversity of experience and background of directors in the board? Please explain.

Yes. As laid down in its Corporate Governance Manual, the Company has specified the qualifications and disqualifications of the directors in such a way that there is diversity of experience and that the background of its directors will be useful/helpful to the Company.

Does it ensure that at least one non-executive director has an experience in the sector or industry the company belongs to? Please explain.

Yes. Please see explanation above.

Define and clarify the roles, accountabilities and deliverables of the Executive, Non-Executive and Independent

Directors:

	Executive	Non-Executive	Independent Director
Role	Policy & decision maker who is part of the Executive Team	Policy & decision maker who is not part of the Executive Team	Independent policy & decision maker
Accountabilities	Accountable for acts of the Board & the Management	Accountable for the acts of Board	Accountable for the acts of Board
Deliverables	Sound board policies	Sound board policies	Sound board policies

Provide the company's definition of "independence" and describe the company's compliance to the definition.

Independent directors shall hold no interests or relationships with the Company that may hinder their independence from the Corporation or Management which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The policy on independent directors is part of the Plan of Compliance institutionalized in the Corporate Governance Manual.

Does the company have a term limit of five consecutive years for independent directors? If after two years, the company wishes to bring back an independent director who had served for five years, does it limit the term for no more than four additional years? Please explain.

Yes. The Company observes the term limit of five years for independent directors. The Company currently has no policy on allowing independent directors to serve for more than this limit.

5) Changes in the Board of Directors (Executive, Non-Executive and Independent Directors)

(a) Resignation/Death/Removal

Indicate any changes in the composition of the Board of Directors that happened during the period:

Name	Position	Date of Cessation	Reason
Benito Techico	Independent Director	July 18, 2013	Resigned
Javier Serrano	Director	December 27, 2012	Resigned
Javier G. Montes	Director	September 18, 2014	Declined the Nomination during Sept. 18, 2014 ASHM

(b) Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension

Describe the procedures for the selection/appointment, re-election, disqualification, removal, reinstatement and suspension of the members of the Board of Directors. Provide details of the processes adopted (including the frequency of election) and the criteria employed in each procedure:

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
(i) Executive Directors	Election/Voting during Annual SH Meeting	Based on By Laws
(ii) Non-Executive Directors	Election/Voting during Annual SH Meeting	Based on By Laws
(iii) Independent Directors	Election/Voting during Annual SH Meeting	Based on By Laws

b. Re-appointment		
(i) Executive Directors	Election/Voting during Annual SH Meeting	Based on By Laws
(ii) Non-Executive Directors	Election/Voting during Annual SH Meeting	Based on By Laws
(iii) Independent Directors	Election/Voting during Annual SH Meeting	Based on By Laws
c. Permanent Disqualification		
(i) Executive Directors	Special Board Meeting	Based on By Laws
(ii) Non-Executive Directors	Special Board Meeting	Based on By Laws
(iii) Independent Directors	Special Board Meeting	Based on By Laws
d. Temporary Disqualification		
(i) Executive Directors	Special Board Meeting	Based on By Laws
(ii) Non-Executive Directors	Special Board Meeting	Based on By Laws
(iii) Independent Directors	Special Board Meeting	Based on By Laws
e. Removal		
(i) Executive Directors	Special Board Meeting	Based on By Laws
(ii) Non-Executive Directors	Special Board Meeting	Based on By Laws
(iii) Independent Directors	Special Board Meeting	Based on By Laws
f. Re-instatement		
(i) Executive Directors	Special Board Meeting	Based on By Laws
(ii) Non-Executive Directors	Special Board Meeting	Based on By Laws
(iii) Independent Directors	Special Board Meeting	Based on By Laws
g. Suspension		
(i) Executive Directors	Special Board Meeting	Based on By Laws
(ii) Non-Executive Directors	Special Board Meeting	Based on By Laws
(iii) Independent Directors	Special Board Meeting	Based on By Laws

Voting Result of the last Annual General Meeting held on September 18, 2014.

Name of Director	Votes Received
Benjamin M. Bitanga	4,391,676,722
Jimmy T. Yaokasin	4,391,676,722
Joel Muyco	4,391,676,722
Bernard B. Rabanzo	4,391,676,722
Michael B. Arciso	4,391,676,722
Edwin H. Monzon	4,391,676,722

6) Orientation and Education Program

- (a) Disclose details of the company's orientation program for new directors, if any.

Upon assumption of office by the new directors, the Company usually schedules an orientation program and roundtable activity so that they will be able to grasp the vision, mission and operation of the Company.

- (b) State any in-house training and external courses attended by Directors and Senior Management³ for the past

³ Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing

three (3) years: Please see explanation above.

- (c) Continuing education programs for directors: programs and seminars and roundtables attended during the year.

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Edwin Monzon	March 1, 2013	Orientation Activity for New Director	MRC In-House
Bernard Rabanzo	March 1, 2013	Orientation Activity for New Director	MRC In-House
	September 23, 2014	Training for Listed Company	PSE Edge (Electronic Disclosure Generation Technology)

B. CODE OF BUSINESS CONDUCT & ETHICS

- 1) Discuss briefly the company's policies on the following business conduct or ethics affecting directors, senior management and employees:

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	Not allowed	Not allowed	Not allowed
(b) Conduct of Business and Fair Dealings	Strongly encouraged	Strongly encouraged	Strongly encouraged
(c) Receipt of gifts from third parties	Not encouraged	Not encouraged	Not Encouraged
(d) Compliance with Laws & Regulations	Strongly enforced	Strongly enforced	Strongly enforced
(e) Respect for Trade Secrets/Use of Non-public Information	Strongly enforced	Strongly enforced	Strongly enforced
(f) Use of Company Funds, Assets and Information	Allowed/Regulated	Allowed/Regulated	Allowed/Regulated
(g) Employment & Labor Laws & Policies	Strongly enforced	Strongly enforced	Strongly enforced
(h) Disciplinary action	Strongly enforced	Strongly enforced	Strongly enforced
(i) Whistle Blower	Not Allowed	Not Allowed	Not Allowed
(j) Conflict Resolution	Strongly encouraged	Strongly encouraged	Strongly encouraged

- 2) Has the code of ethics or conduct been disseminated to all directors, senior management and employees? YES
- 3) Discuss how the company implements and monitors compliance with the code of ethics or conduct.

and controlling the activities of the company.

This is part of the Plan of Compliance which program is part of the Corporate Governance Manual. The system of rewards and incentives are being implemented to ensure such compliance.

4) Related Party Transactions

(a) Policies and Procedures

Describe the company's policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the Board.

Related Party Transactions	Policies and Procedures
(1) Parent Company	Policy on transparency & legal permissibility
(2) Joint Ventures	Policy on transparency & legal permissibility
(3) Subsidiaries	Policy on transparency & legal permissibility
(4) Entities Under Common Control	Policy on transparency & legal permissibility
(5) Substantial Stockholders	Policy on legal permissibility & no conflict of interest
(6) Officers including spouse/children/siblings/parents	Policy on legal permissibility & no conflict of interest
(7) Directors including spouse/children/siblings/parents	Policy on legal permissibility & no conflict of interest
(8) Interlocking director relationship of Board of Directors	Policy on legal permissibility & no conflict of interest

(b) Conflict of Interest

(i) Directors/Officers and 5% or more Shareholders

Identify any actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.

	Details of Conflict of Interest (Actual or Probable) Policy on legal permissibility & no conflict of interest
Name of Director/s	N/A
Name of Officer/s	
Name of Significant Shareholders	

(ii) Mechanism

Describe the mechanism laid down to detect, determine and resolve any possible conflict of interest between the company and/or its group and their directors, officers and significant shareholders.

	Directors/Officers/Significant Shareholders
Company	Policy on legal permissibility
Group	Policy on legal permissibility

5) Family, Commercial and Contractual Relations

- (a) Indicate, if applicable, any relation of a family,⁴ commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
N/A		

- (b) Indicate, if applicable, any relation of a commercial, contractual or business nature that exists between the holders of significant equity (5% or more) and the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description
N/A		

- (c) Indicate any shareholder agreements that may impact on the control, ownership and strategic direction of the company:

Name of Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction
N/A		

6) Alternative Dispute Resolution

Describe the alternative dispute resolution system adopted by the company for the last three (3) years in amicably settling conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities.

	Alternative Dispute Resolution System
Corporation & Stockholders	N/A
Corporation & Third Parties	
Corporation & Regulatory Authorities	

C. BOARD MEETINGS & ATTENDANCE

- 1) Are Board of Directors' meetings scheduled before or at the beginning of the year?

The Board of Directors' meeting shall be held on the second Monday of May in each year, unless such day shall be a legal holiday, when it shall be held on the next regular day following.

- 2) Attendance of Directors for year 2014

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Benjamin M. Bitanga	Sept. 18, 2014	7	7	100%
Member	Jimmy Tiu Yaokasin	Sept. 18, 2014	7	6	86%
Member	Bernard B. Rabanzo	Sept. 18, 2014	7	7	100%

⁴ Family relationship up to the fourth civil degree either by consanguinity or affinity.

Member	Edwin H. Monzon	Feb 28, 2013	7	7	100%
Independent	Joel D. Muyco	Feb 28, 2013	7	5	71%
Independent	Michael B. Arciso	July 18, 2013	7	3	43%

3) Do non-executive directors have a separate meeting during the year without the presence of any executive? If yes, how many times? None

4) Is the minimum quorum requirement for Board decisions set at two-thirds of board members? Please explain.

YES. This is based on the articles and by laws as well as the Corporate Governance Manual.

5) Access to Information

(a) How many days in advance are board papers⁵ for board of directors meetings provided to the board?

At least two weeks prior notice.

(b) Do board members have independent access to Management and the Corporate Secretary? Yes.

(c) State the policy of the role of the company secretary. Does such role include assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes, etc?

Yes. The Corporate Secretary should be competent, efficient and possesses legal know how.

(d) Is the company secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative.

Yes. Legal training is part of the qualifications.

(e) Committee Procedures

Disclose whether there is a procedure that Directors can avail of to enable them to get information necessary to be able to prepare in advance for the meetings of different committees:

Yes ☒

No ☐

Committee	Details of the procedures
Executive	Prior formal/written request
Audit	Prior formal/written request
Nomination	Prior formal/written request
Remuneration	Prior formal/written request
Others (specify)	

6) External Advice

Indicate whether or not a procedure exists whereby directors can receive external advice and, if so, provide details:

Procedures	Details
N/A	

⁵ Board papers consist of complete and adequate information about the matters to be taken in the board meeting. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

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7) Change/s in existing policies

Indicate, if applicable, any change/s introduced by the Board of Directors (during its most recent term) on existing policies that may have an effect on the business of the company and the reason/s for the change:

Existing Policies	Changes	Reason
N/A		

D. REMUNERATION MATTERS

1) Remuneration Process

Disclose the process used for determining the remuneration of the CEO and the four (4) most highly compensated management officers:

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	0	2,205,000.00
(2) Variable remuneration	0	0
(3) Per diem allowance	0	0
(4) Bonus	0	0
(5) Stock Options and other financial instruments	0	0
(6) Others (specify)	0	0

2) Remuneration Policy and Structure for Executive and Non-Executive Directors

Disclose the company's policy on remuneration and the structure of its compensation package. Explain how the compensation of Executive and Non-Executive Directors is calculated.

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	Policy on Transparency	Based on Best Industry Practices	Based on qualifications
Non-Executive Directors	Policy on Transparency	Based on Best Industry Practices	Based on qualifications

Do stockholders have the opportunity to approve the decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of board of directors? Provide details for the last three (3) years.

Remuneration Scheme	Date of Stockholders' Approval
N/A	

3) Aggregate Remuneration

Complete the following table on the aggregate remuneration accrued during the most recent year:

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	2,205,000.00	2,310,000.00	0
(b) Variable Remuneration	0	0	0
(c) Per diem Allowance	0	0	0
(d) Bonuses	0	0	0
(e) Stock Options and/or other financial instruments	0	0	0
(f) Others (Specify)	0	0	0
Total	2,205,000.00	2,310,000.00	0

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances	0	0	0
2) Credit granted	0	0	0
3) Pension Plan/s Contributions	0	0	0
(d) Pension Plans, Obligations incurred	0	0	0
(e) Life Insurance Premium	0	0	0
(f) Hospitalization Plan	0	0	0
(g) Car Plan	0	0	0
(h) Others (Specify)	0	0	0
Total	0	0	0

4) Stock Rights, Options and Warrants

(a) Board of Directors

Complete the following table, on the members of the company's Board of Directors who own or are entitled to stock rights, options or warrants over the company's shares:

Director's Name	Number of Direct Option/Rights/Warrants	Number of Indirect Option/Rights/Warrants	Number of Equivalent Shares	Total % from Capital Stock
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N/A				

(b) Amendments of Incentive Programs

Indicate any amendments and discontinuation of any incentive programs introduced, including the criteria used in the creation of the program. Disclose whether these are subject to approval during the Annual Stockholders' Meeting:

Incentive Program	Amendments	Date of Stockholders' Approval
N/A		

5) Remuneration of Management

Identify the five (5) members of management who are not at the same time executive directors and indicate the total remuneration received during the financial year:

Name of Officer/Position	Total Remuneration
KENNETH JOEY H. MACEREN	
CHERRIE MARIE LACSI	

E. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

Provide details on the number of members of each committee, its functions, key responsibilities and the power/authority delegated to it by the Board:

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Executive	2	1	1				
Audit	1	2	1				
Nomination	1	2	1				
Remuneration	1	2	1				

Others (specify)							
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2) Committee Members

(a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Benjamin M. Bitanga					
Member (ED)	Bernard B. Rabanzo					
Member (NED)	Jimmy Tiu Yaokasin					
Member (ID)	Joel Muyco					
Member						

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Bernard B. Rabanzo					
Member (ED)	Javier Gimenez Montes					
Member (NED)	Edwin H. Monzon					
Member (ID)	Joel Muyco					
Member						

Disclose the profile or qualifications of the Audit Committee members.

The Audit Committee shall be composed of at least three (3) members of the Board one (1) of whom shall be an independent director. Each member shall have adequate understanding at least or competence at most of the company's financial management systems and environment.

Describe the Audit Committee's responsibility relative to the external auditor.

Audit Committees are responsible to check all financial reports against its compliance with both the internal financial management handbook and pertinent accounting standards, including regulatory requirements; Pre-approve audit plans, scope and frequency one (1) month before the conduct of external audit also they are responsible for coordinating, monitoring and facilitating compliance with existing laws, rules and regulation.

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Benjamin M. Bitanga					
Member (ED)	Javier Gimenez Montes					
Member (NED)	Jimmy Tiu Yaokasin					
Member (ID)	Michael B. Arciso					
Member						

(d) Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Benjamin M. Bitanga					
Member (ED)	Javier Gimenez Montes					
Member (NED)	Jimmy T. Yaokasin					
Member (ID)	Micael B. Arciso					
Member						

(e) Others (Specify)

Provide the same information on all other committees constituted by the Board of Directors:

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	N/A					
Member (ED)						
Member (NED)						
Member (ID)						
Member						

3) Changes in Committee Members

Indicate any changes in committee membership that occurred during the year and the reason for the changes:

Name of Committee	Name	Reason
Executive		
Audit		
Nomination	Michael B. Arciso	Resignation of Benito Techico
Remuneration	Michael B. Arciso	Resignation of Benito Techico
Others (specify)		

4) Work Done and Issues

Describe the work done by each committee and the significant issues addressed during the year.

Name of Committee	Work Done	Issues Addressed
Executive	Implement Executive & Management Policies	N/A
Audit	Implement Audit Policies	N/A
Nomination	Implement Evaluation & Monitoring Policies	N/A
Remuneration	Implement Evaluation & Monitoring Policies	N/A
Others (specify)		

5) Committee Program

Provide a list of programs that each committee plans to undertake to address relevant issues in the improvement or enforcement of effective governance for the coming year.

Name of Committee	Planned Programs	Issues to be Addressed
Executive	Propose mechanisms for the Board's oversight over executive and operational matters	Transparency issues
Audit	Propose mechanisms for the Board's oversight over audit matters	Budget issues
Nomination	Propose mechanisms for the Board's oversight over nomination matters	Regulatory issues
Remuneration	Propose mechanisms for the Board's oversight over remuneration matters	Budget issues
Others (specify)		

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

(a) Overall risk management philosophy of the company;

The Company adopts a policy of proactive approach to risk management. It adheres to the policy of regularly identifying and monitoring compliance risks.

(b) A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof;

The Board regularly reviews and evaluates risk management systems and policies.

(c) Period covered by the review; Review is usually annual, unless a special review is warranted.

(d) How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness;

Review is usually annual, unless a special review is warranted.

(e) Where no review was conducted during the year, an explanation why not. N/A

2) Risk Policy

(a) Company

Give a general description of the company's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
Internal auditor	Policy on regular monitoring of risks	To achieve minimum negative risk impact on management
External auditor		

(b) Group

Give a general description of the Group's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
Same as above		

(c) Minority Shareholders

Indicate the principal risk of the exercise of controlling shareholders' voting power.

Risk to Minority Shareholders
N/A

3) Control System Set Up

(a) Company

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Information Technology-Related Risks	Information Technology Monitoring System	Information Technology monitoring System is strictly being implemented and monitored by the company on a regular basis.
Force Majeure- Related Risks	Insurance System	Set up a solid and reliable insurance system for the company.

(b) Group

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Fraud- Related Risks	Internal Audit System Monitoring	Internal audit system is strictly being implemented & monitored regularly
Force Majeure – Related Risks	Insurance System	Regular Review/ internal Audit

(c) Committee

Identify the committee or any other body of corporate governance in charge of laying down and supervising these control mechanisms, and give details of its functions:

Committee/Unit	Control Mechanism	Details of its Functions
Audit Committee	Risk Management Programs	Internal Audit

G. INTERNAL AUDIT AND CONTROL

1) Internal Control System

Disclose the following information pertaining to the internal control system of the company:

- (a) Explain how the internal control system is defined for the company;

In view of the small size of the company's organization and the limited volume and non-complexity of its transactions, having a full-time, independent Internal Auditor is presently not required. The Corporation shall lodge the internal audit function with the Treasurer of the Corporation who will have the rank of at least the Vice President. The Treasurer may have an additional role as Internal Auditor, through whom the Board, senior management and stockholders shall be provided with reasonable assurance that its key organizational and procedural controls are effective, appropriate, and complied with.

- (b) A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate;

By means of regular monitoring and evaluating the adequacy and effectiveness of our company's internal control system we develop a transparent financial management system that will ensure the integrity of internal control activities through step-by-step procedures and policies handbook that will be used by the entire organization.

- (c) Period covered by the review; Internal control system reviewed regularly.

- (d) How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the internal control system; and

Internal control system is strictly being implemented & monitored regularly.

- (e) Where no review was conducted during the year, an explanation why not.

2) Internal Audit

- (a) Role, Scope and Internal Audit Function

Give a general description of the role, scope of internal audit work and other details of the internal audit function.

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
Internal audit assist the Board and/or its audit committee in discharging its governance responsibilities by delivering an objective evaluation of existing risk and internal control	The scope and particulars of a system of effective organizational and procedural controls shall be based on the following factors: the nature and complexity of business and			

framework.	business culture; the volume, size and complexity of transactions; the degree of risk; the degree of centralization and delegation of authority; the extent and effectiveness of information technology; and the extent of regulatory compliance.			

- (b) Do the appointment and/or removal of the Internal Auditor or the accounting /auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee? Yes
- (c) Discuss the internal auditor's reporting relationship with the audit committee. Does the internal auditor have direct and unfettered access to the board of directors and the audit committee and to all records, properties and personnel?

The Internal Auditor shall report to the Audit Committee. Yes, Internal Auditor have direct and unfettered access to the board of directors and the audit committee as well to all records, properties and personnel.

- (d) Resignation, Re-assignment and Reasons

Disclose any resignation/s or re-assignment of the internal audit staff (including those employed by the third-party auditing firm) and the reason/s for them. N/A

Name of Audit Staff	Reason
N/A	

- (e) Progress against Plans, Issues, Findings and Examination Trends

State the internal audit's progress against plans, significant issues, significant findings and examination trends. N/A

Progress Against Plans	
Issues⁶	
Findings⁷	
Examination Trends	

[The relationship among progress, plans, issues and findings should be viewed as an internal control review cycle which involves the following step-by-step activities:

- 1) Preparation of an audit plan inclusive of a timeline and milestones;
- 2) Conduct of examination based on the plan;
- 3) Evaluation of the progress in the implementation of the plan;
- 4) Documentation of issues and findings as a result of the examination;
- 5) Determination of the pervasive issues and findings ("examination trends") based on single year result and/or year-to-year results;

⁶ "Issues" are compliance matters that arise from adopting different interpretations.

⁷ "Findings" are those with concrete basis under the company's policies and rules.

6) Conduct of the foregoing procedures on a regular basis.]

(f) Audit Control Policies and Procedures

Disclose all internal audit controls, policies and procedures that have been established by the company and the result of an assessment as to whether the established controls, policies and procedures have been implemented under the column "Implementation." N/A

Policies & Procedures	Implementation
N/A	

(g) Mechanisms and Safeguards

State the mechanism established by the company to safeguard the independence of the auditors, financial analysts, investment banks and rating agencies (example, restrictions on trading in the company's shares and imposition of internal approval procedures for these transactions, limitation on the non-audit services that an external auditor may provide to the company):

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies

(h) State the officers (preferably the Chairman and the CEO) who will have to attest to the company's full compliance with the SEC Code of Corporate Governance. Such confirmation must state that all directors, officers and employees of the company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.

This Corporate Governance Report shall be available for inspection by any stockholder of MRC at reasonable hours on business days. All directors, executives, division and department heads are tasked to ensure the thorough dissemination of this Report to all employees and related parties, and to likewise enjoin compliance in the process. An adequate number of printed copies of this report must be reproduced under the supervision of HRD, with minimum of at least one (1) hard copy of the Report per department.

H. ROLE OF STAKEHOLDERS

1) Disclose the company's policy and activities relative to the following:

	Policy	Activities
Customers' welfare	Handled by our customer service officers	Feedback system
Supplier/contractor selection practice	Competitive bidding/Comparison by the quotation submitted by the respective supplier	Request Quotation from Suppliers
Environmentally friendly value-chain	Paperless transmission	
Community interaction	Continuous dealing with indigenous people/Respect and recognize rights of indigenous people	Interaction with indigenous people affected with mining and other related activities.
Anti-corruption programmes and procedures?	Prohibition on bribery .	

2) Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?
No

3) Performance-enhancing mechanisms for employee participation.

(a) What are the company's policy for its employees' safety, health, and welfare?

Intellicare healthcard.

(b) Show data relating to health, safety and welfare of its employees. N/A

(c) State the company's training and development programmes for its employees. Show the data.

Annual teambuilding, planning activities.

(d) State the company's reward/compensation policy that accounts for the performance of the company beyond short-term financial measures

Annual bonus based on performance evaluation.

4) What are the company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behaviour? Explain how employees are protected from retaliation.

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
PCD Nominee Corp.	261,420,004	6.337	COL Financial Group Inc.
PCD Nominee Corp.	227,858,856	5.523	Abacus Securities Corp.

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Benjamin M. Bitanga	1	2,468,000	0.0290
TOTAL	1	2,468,000	

2) Does the Annual Report disclose the following:

Key risks	Yes
Corporate objectives	Yes
Financial performance indicators	Yes

Non-financial performance indicators	Yes
Dividend policy	Yes
Details of whistle-blowing policy	Yes
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	Yes
Training and/or continuing education programme attended by each director/commissioner	Yes
Number of board of directors/commissioners meetings held during the year	Yes
Attendance details of each director/commissioner in respect of meetings held	Yes
Details of remuneration of the CEO and each member of the board of directors/commissioners	Yes

Should the Annual Report not disclose any of the above, please indicate the reason for the non-disclosure.

3) External Auditor's

Name of auditor	Audit Fee	Non-audit Fee
Reyes Tacandong & Company	350,000.00	

4) Medium of Communication

List down the mode/s of communication that the company is using for disseminating information.

The mode/s of communication that the company used are the following by landline, cellphone, e-mail, fax, parcels.

5) Date of release of audited financial report: March 28, 2012

6) Company Website : mrcallied.com

Does the company have a website disclosing up-to-date information about the following? Yes

Business operations	Yes
Financial statements/reports (current and prior years)	Yes
Materials provided in briefings to analysts and media	Yes
Shareholding structure	Yes
Group corporate structure	Yes
Downloadable annual report	Yes
Notice of AGM and/or EGM	Yes
Company's constitution (company's by-laws, memorandum and articles of association)	Yes

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

7) Disclosure of RPT

RPT	Relationship	Nature	Value
N/A			

When RPTs are involved, what processes are in place to address them in the manner that will safeguard the interest of the company and in particular of its minority shareholders and other stakeholders?

J. RIGHTS OF STOCKHOLDERS

1) Right to participate effectively in and vote in Annual/Special Stockholders' Meetings

(a) Quorum

Give details on the quorum required to convene the Annual/Special Stockholders' Meeting as set forth in its By-laws.

Quorum Required	Majority of the stock of the company issued and outstanding represented in person or by proxy.
------------------------	--

(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	By vote of the Board of Directors and stockholders.
Description	The approval of the Board of Directors will be made in regular or special meeting. The approval of the corporate acts by the stockholders is made during annual stockholders meeting.

(c) Stockholders' Rights

List any Stockholders' Rights concerning Annual/Special Stockholders' Meeting that differ from those laid down in the Corporation Code.

Stockholders' Rights under The Corporation Code	Stockholders' Rights <u>not</u> in The Corporation Code
N/A	

Dividends

Declaration Date	Record Date	Payment Date
NA		

(d) Stockholders' Participation

1. State, if any, the measures adopted to promote stockholder participation in the Annual/Special Stockholders' Meeting, including the procedure on how stockholders and other parties interested may communicate directly with the Chairman of the Board, individual directors or board committees. Include in the discussion the steps the Board has taken to solicit and understand the views of the stockholders as well as procedures for putting forward proposals at stockholders' meetings.

Measures Adopted	Communication Procedure
NA	

2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:
- a. Amendments to the company's constitution:

Amendments of the company's constitution may be amended or repealed at any regular meeting of the stockholders or special meeting duly called for that purpose by at least majority of the outstanding capital stock and majority of the members of the Board.

Authorization of additional shares :

If the authorized capital stock will be increased in order to issue additional shares the Articles of Incorporation will be amended at any regular meeting of the stockholders or special meeting duly called for that purpose by at least majority of the outstanding capital stock and majority of the members of the Board. If the Articles of Incorporation need not be amended the issuance of additional shares will be made through the approval of the Board of Directors.

- b. Transfer of all or substantially all assets, which in effect results in the sale of the company;

The shareholders shall have appraisal right or right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 82 of the Corporation Code of the Philippines.

3. Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up? Yes

- a. Date of sending out notices: February 6, 2013

- b. Date of the Annual/Special Stockholders' Meeting: February 28, 2013

4. State, if any, questions and answers during the Annual/Special Stockholders' Meeting. None

5. Result of Annual/Special Stockholders' Meeting's Resolutions : held on September 18, 2014 ASHM.

Resolution	Approving	Dissenting	Abstaining
1) The minutes of the previous meeting of the stockholders held on 3 February 3, 2014 at the Manila Polo Club Mckinley Road Forbes Park Makati City was approved and confirmed.	51.58% of stockholders	N/A	N/A
2) The Management Report prepared by the Board of Directors was approved and confirmed,	51.58% of stockholders	N/A	N/A
3) The 2013 AFS of the Corporation was approved and confirmed,	51.58% of stockholders	N/A	N/A
4) the acts proceedings, transactions and agreements, authorized by and entered into by the Board of Directors and officers of the	51.58% of stockholders	N/A	N/A

Corporation from the last annual stockholders' meeting to date were also approved.			
--	--	--	--

6. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions: N/A

(e) Modifications

State, if any, the modifications made in the Annual/Special Stockholders' Meeting regulations during the most recent year and the reason for such modification:

Modifications	Reason for Modification
N/A	

(f) Stockholders' Attendance

(i) Details of Attendance in the Annual/Special Stockholders' Meeting Held: on 18 September 2014.

There are three attendance sheet prepared during the Annual Stockholders Meeting First, attendance for Stockholders, second is attendance for Securities, and the last one is the attendance for the Guest. Annual Stockholders Meeting was held at Dusit Thani, Ayala Center, Makati City last February 28, 2013.

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	Benjamin M. Bitanga Jimmy T. Yaokasin Joel Muyco Bernard B. Rabanzo Edwin H. Monzon	Feb 28, 2013	By poll	51.58%		
Special	Michael B. Arciso	July 18, 2013	Show of hands			

(ii) Does the company appoint an independent party (inspectors) to count and/or validate the votes at the ASM/SSMs? Yes

(iii) Do the company's common shares carry one vote for one share? If not, disclose and give reasons for any divergence to this standard. Where the company has more than one class of shares, describe the voting rights attached to each class of shares. Yes

(g) Proxy Voting Policies

State the policies followed by the company regarding proxy voting in the Annual/Special Stockholders' Meeting.

	Company's Policies
Execution and acceptance of proxies	The proxy form should be signed and dated by the stockholder of record and shall designate or name the proxy authorized to vote all shares registered in the stockholder's name.
Notary	The company does not require that the proxy forms executed in the Philippines be notarized before a Notary Public. However, with respect to shares owned and registered in the name of a corporation or other juridical entity the corresponding Secretary's Certificate authorizing the execution of proxy or designating the authorized representative of the corporate shareholder must be duly notarized.
Submission of Proxy	Proxy forms must be received by the Corporate Secretary of the company at the latter's principal office address at 5 th Floor Eurovilla 4 Building, 853 Arnaiz Ave., Makati City. The proxy forms must be received by the Corporate Secretary not later than the time and date indicated in the notices sent to stockholders.
Several Proxies	The company has no express prohibition on the execution of several proxies.
Validity of Proxy	The proxy shall be valid unless the same is withdrawn through a written notice delivered to the Corporate Secretary at least 5 days before the annual stockholders meeting.
Proxies executed abroad	<p>The company has no specific requirement as regards proxies executed abroad by individual stockholders. Nevertheless, the said proxies will be validated and will undergo scrutiny particularly the signature of the stockholder.</p> <p>With respect to foreign based corporate shareholders, the company will require that the Secretary's Certificate executed abroad must be duly notarized or authenticated by Philippine consular officials.</p>
Invalidated Proxy	The shares covered by the proxy will not be entitled to vote except if the registered stockholder personally attends the annual stockholder's meeting and vote his or her shares.
Validation of Proxy	The signatures in the proxy forms will be compared with those in existing records of the company and/or Stock and Transfer Agent.
Violation of Proxy	The shares covered by the proxy will not be entitled to vote except if the registered stockholder personally attends the annual stockholders meeting and vote on his or her shares.

(h) Sending of Notices

State the company's policies and procedure on the sending of notices of Annual/Special Stockholders' Meeting.

Policies	Procedure
All of the Stockholders are entitled to notice and vote at the said meeting.	Notices of Annual/Special Stockholders Meeting are sent through personal delivery or by mail in

	the address left by the stockholder with the secretary of the company.

(i) Definitive Information Statements and Management Report :

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	The number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials are those on the list of top 100 shareholders as of record date.
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	The actual date of distribution of Definitive Information Statement and other reports was held last February 6, 2013.
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	Same as above
State whether CD format or hard copies were distributed	The material distributed was in a hard copies.
If yes, indicate whether requesting stockholders were provided hard copies	

(j) Does the Notice of Annual/Special Stockholders' Meeting include the following:

Each resolution to be taken up deals with only one item.	Yes
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	Yes
The auditors to be appointed or re-appointed.	Yes
An explanation of the dividend policy, if any dividend is to be declared.	No, because there is no dividends to be declared
The amount payable for final dividends.	N/A
Documents required for proxy vote.	A proxy form signed and dated by stockholder of record . There must be present, either in person or proxy , the owners of the majority of the outstanding capital stock of the Corporation.

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

2) Treatment of Minority Stockholders

(a) State the company's policies with respect to the treatment of minority stockholders.

Policies	Implementation
N/A	

(b) Do minority stockholders have a right to nominate candidates for board of directors? No

K. INVESTORS RELATIONS PROGRAM

- 1) Discuss the company's external and internal communications policies and how frequently they are reviewed. Disclose who reviews and approves major company announcements. Identify the committee with this responsibility, if it has been assigned to a committee.

The company strictly implements the policy of transparency through regular disclosures filed with the Philippine Stock Exchange (PSE) and Securities and Exchange Commission (SEC) through the company's Compliance Officer.

- 2) Describe the company's investor relations program including its communications strategy to promote effective communication with its stockholders, other stakeholders and the public in general. Disclose the contact details (e.g. telephone, fax and email) of the officer responsible for investor relations.

The investor relations program of the company is through the purchase of the company's shares of stock. The company utilizes every available modes of communication to promote prospective investment in the company to its existing shareholders and the public. This is done by the company's Compliance Officer whose contact details are as follows:

Telephone No. 846-7910
 Telefax – 519-8945
 E-mail - renz.rabanzo@mrcallied.com

	Details
(1) Objectives	
(2) Principles	
(3) Modes of Communications	
(4) Investors Relations Officer	

- 3) What are the company's rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets?

Name of the independent party the board of directors of the company appointed to evaluate the fairness of the transaction price.

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Discuss any initiative undertaken or proposed to be undertaken by the company.

Initiative	Beneficiary
N/A	

M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

Disclose the process followed and criteria used in assessing the annual performance of the board and its committees, individual director, and the CEO/President.

	Process	Criteria
Board of Directors	N/A	
Board Committees		
Individual Directors		
CEO/President		


N. INTERNAL BREACHES AND SANCTIONS

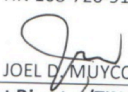
Discuss the internal policies on sanctions imposed for any violation or breach of the corporate governance manual involving directors, officers, management and employees. N/A


Violations	Sanctions
N/A	

Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of MAKATI CITY on APR 13 2015, 20__.


SIGNATURES


BENJAMIN M. BITANGA
 Chairman of the Board
 TIN 108-720-911


JOEL D. MUYCO
 Independent Director/TIN 122-548-213


BERNARD B. RABANZO
 Compliance Officer
 TIN165-995-731

N/A
 Chief Executive Officer


MICHAEL B. ARCISO
 Independent Director
 TIN 239-786-092

SUBSCRIBED AND SWORN to before me this _____ day of APR 13 2015, 20__, affiant(s) exhibiting to me their Tax Identification Number, as follows:

Doc No. 97
 Page No. 2
 Book No. 2
 Series of 22/19

LOUIE R. ESTUTIN
 NOTARY PUBLIC - 2015
 ROLL NO. 4238 / 27 APRIL 2013
 PTR NO. 45 0012 / MAKATI CITY
 IEP LIFETIME NO. 4-0817
 MCLE COMPLIANCE NO. IX - 1126879