

COVER SHEET

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SEC Registration Number

[illegible]

(Company's Full Name)

[illegible]

(Business Address: No. StreetCity/Town/Province)

Atty. Johnston R. Brusola

(Contact Person)

(02) 846-7910

(Company Telephone Number)

MRC I-ACGR FOR YEAR 2019

Month *Day*
(Fiscal Year)

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(Form Type)

Month *Day*
(Annual Meeting)

(Secondary License Type, If Applicable)

SEC

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Domestic

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Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

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Document ID

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SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **31 December 2019.**
2. SEC Identification Number **184228**
3. BIR Tax Identification No. **000-275-291**
4. Exact name of issuer as specified in its charter **MRC ALLIED INC.**
5. **PHILIPPINES**
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. **5/F Eurovilla 4 Bldg. 853 A Arnaiz Avenue, Makati City** **1223**
Address of principal office Postal Code
8. **(02) 846-7910**
Issuer's telephone number, including area code
9.
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	COMPLIANT	Provide information or link/reference to a document containing information on the following: https://www.mrcallied.com/our-company https://www.mrcallied.com/sec-filings	
2. Board has an appropriate mix of competence and expertise.	COMPLIANT		
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	COMPLIANT		
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	COMPLIANT	Identify or provide link/reference to a document identifying the directors and the type of their directorships https://www.mrcallied.com/our-company https://www.mrcallied.com/sec-filings	
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	COMPLIANT	Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors. https://www.mrcallied.com/manual-on-corporate-governance https://www.mrcallied.com/company-policies	

2. Company has an orientation program for first time directors.	COMPLIANT	Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.	
3. Company has relevant annual continuing training for all directors.	COMPLIANT	https://www.mrcallied.com/manual-on-corporate-governance https://www.mrcallied.com/company-policies https://www.mrcallied.com/other-disclosures	
Recommendation 1.4			
1. Board has a policy on board diversity.	COMPLIANT	Provide information on or link/reference to a document containing information on the company's board diversity policy. https://www.mrcallied.com/company-policies https://www.mrcallied.com/manual-on-corporate-governance Indicate gender composition of the board. Board Composition for 2019: 1 st to 3 rd Quarter On (1) Female and Six (6) Male; 4 th Quarter: One (1) Female and Six (6) Male.	
Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.		Provide information on or link/reference to a document containing the company's policy and measurable objectives for implementing board diversity. Provide link or reference to a progress report in achieving its objectives.	

Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	COMPLIANT	Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions. https://www.mrcallied.com/our-company https://www.mrcallied.com/manual-on-corporate-governance https://www.mrcallied.com/other-disclosures	
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	Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered Corporate Governance Seminar May 22, 2019 Philippine Corporate Enhancement & Governance Inc. Ayala Dusit Thani No. of Hours: 4 SEC-PSE Conference on Building a Sustainable Business Community April 12, 2019 Philippine International Convention Center No. of Hours: 8	
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.		Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting.	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	COMPLIANT	Provide information on or link/reference to a document containing information on the	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position	COMPLIANT		

with adequate stature and authority in the corporation.		Compliance Officer, including his/her name, position, qualifications, duties and functions.	
3. Compliance Officer is not a member of the board.	COMPLIANT	https://www.mrcallied.com/our-company https://www.mrcallied.com/manual-on-corporate-governance https://www.mrcallied.com/other-disclosures	
4. Compliance Officer attends training/s on corporate governance.	COMPLIANT	Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered 2019 Annual Listing and Disclosure Rules Seminar November 8, 2019 BGC, Taguig City No. of Hours: 4 SEC-PSE Conference on Sustainable Business Community April 12, 2019 Philippine International Convention Center No. of Hours: 8	

Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.

Recommendation 2.1

1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	COMPLIANT	Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting) https://www.mrcallied.com/manual-on-corporate-governance https://www.mrcallied.com/other-disclosures	
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Recommendation 2.2

1. Board oversees the development, review and approval of the company's business objectives and strategy.	COMPLIANT	Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting)	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	COMPLIANT	https://www.mrcallied.com/manual-on-corporate-governance https://www.mrcallied.com/other-disclosures Indicate frequency of review of business objectives and strategy https://www.mrcallied.com/manual-on-corporate-governance The Board of Directors regularly review MRC's business objectives and strategy.	
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	COMPLIANT	Indicate or provide link/reference to a document containing the company's vision, mission and core values. https://www.mrcallied.com/our-company Indicate frequency of review of the vision, mission and core values. The Board of Directors regularly review MRC's vision, mission and core values.	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	COMPLIANT	Provide information on or link/reference to a document containing information on the strategy execution process. https://www.mrcallied.com/manual-on-corporate-governance	
Recommendation 2.3			

1. Board is headed by a competent and qualified Chairperson.	COMPLIANT	Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications https://www.mrcallied.com/our-company https://www.mrcallied.com/sec-filings	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIAN	Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation https://www.mrcallied.com/manual-on-corporate-governance	
2. Board adopts a policy on the retirement for directors and key officers.	COMPLIANT		
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	COMPLIANT	Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance. https://www.mrcallied.com/manual-on-corporate-governance https://www.mrcallied.com/sec-filings	
2. Board adopts a policy specifying the relationship between remuneration and performance.	COMPLIANT		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT		
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.		Provide proof of board approval	
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.		Provide information on or link/reference to a document containing measurable standards to align performance-based remuneration with the long-term interest of the company.	
Recommendation 2.6			

1. Board has a formal and transparent board nomination and election policy.	COMPLIANT	Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	COMPLIANT	https://www.mrcallied.com/manual-on-corporate-governance https://www.mrcallied.com/board-committees	
4. Board nomination and election policy includes how the board shortlists candidates.	COMPLIANT	Provide proof if minority shareholders have a right to nominate candidates to the board https://www.mrcallied.com/manual-on-corporate-governance	
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	https://www.mrcallied.com/sec-filings Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT	https://www.mrcallied.com/manual-on-corporate-governance https://www.mrcallied.com/sec-filings	
Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.		Identify the professional search firm used or other external sources of candidates	
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party	COMPLIANT	Provide information on or reference to a document containing the company's policy on related party	

transactions (RPTs) and other unusual or infrequently occurring transactions.		transaction, including policy on review and approval of significant RPTs	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT	https://www.mrcallied.com/manual-on-corporate-governance https://www.mrcallied.com/company-policies	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	COMPLIANT		
Supplement to Recommendations 2.7			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	COMPLIANT	Provide information on a materiality threshold for RPT disclosure and approval, if any. Provide information on RPT categories https://www.mrcallied.com/manual-on-corporate-governance https://www.mrcallied.com/company-policies	
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	Provide information on voting system, if any. https://www.mrcallied.com/manual-on-corporate-governance https://www.mrcallied.com/sec-filings	
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management. https://www.mrcallied.com/manual-on-corporate-governance	

		https://www.mrcallied.com/board-committees	
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management. https://www.mrcallied.com/manual-on-corporate-governance https://www.mrcallied.com/board-committees	
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT	Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel. https://www.mrcallied.com/manual-on-corporate-governance <i>Please see attached the following documents:</i> <i>Annex "A": Board Performance Appraisal/Evaluation</i> <i>Annex "B": Employee Performance Review</i>	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT		
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	COMPLIANT	Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	COMPLIANT	https://www.mrcallied.com/manual-on-corporate-governance	

3. Board approves the Internal Audit Charter.	COMPLIANT	Provide reference or link to the company's Internal Audit Charter https://www.mrcallied.com/manual-on-corporate-governance	
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	COMPLIANT	Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework. https://www.mrcallied.com/manual-on-corporate-governance	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	COMPLIANT	Provide proof of effectiveness of risk management strategies, if any. https://www.mrcallied.com/board-committees https://www.mrcallied.com/manual-on-corporate-governance	
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	COMPLIANT	https://www.mrcallied.com/manual-on-corporate-governance https://www.mrcallied.com/our-company	
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		
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	COMPLIANT	Provide information on or link/reference to a document showing company's insider trading policy. https://www.mrcallied.com/company-policies	
Optional: Principle 2			

1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.		Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any.	
2. Company discloses the types of decision requiring board of directors' approval.		Indicate the types of decision requiring board of directors' approval and where there are disclosed.	

Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.

Recommendation 3.1

1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	COMPLIANT	Provide information or link/reference to a document containing information on all the board committees established by the company. https://www.mrcallied.com/board-committees	
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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	Provide information or link/reference to a document containing information on the Audit Committee, including its functions. https://www.mrcallied.com/manual-on-corporate-governance https://www.mrcallied.com/board-committees	
Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	COMPLIANT	Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship. https://www.mrcallied.com/board-committees	
2. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	COMPLIANT	Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.	

		https://www.mrcallied.com/board-committees https://www.mrcallied.com/other-disclosures	
3. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	COMPLIANT	Provide information or link/reference to a document containing information on the Chairman of the Audit Committee https://www.mrcallied.com/board-committees https://www.mrcallied.com/other-disclosures	
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	COMPLIANT	Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor. https://www.mrcallied.com/manual-on-corporate-governance	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	COMPLIANT	Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present. https://www.mrcallied.com/manual-on-corporate-governance https://www.mrcallied.com/board-committees	
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.		Indicate the number of Audit Committee meetings during the year and provide proof	
2. Audit Committee approves the appointment and removal of the internal auditor.		Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.	
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its	COMPLIANT	Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions	

corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.		https://www.mrcallied.com/manual-on-corporate-governance https://www.mrcallied.com/board-committees Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable. https://www.mrcallied.com/manual-on-corporate-governance https://www.mrcallied.com/board-committees	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	COMPLIANT	Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship. https://www.mrcallied.com/board-committees	
3. Chairman of the Corporate Governance Committee is an independent director.	NON-COMPLIANT	Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.	<i>The Company is in the process of applying with the SEC the increase of the number of directors from 7 to 9. Thus, the number of independent director will increase from 2 to 3. Pending the implementation of said amendment, the company has put on status quo the committee memberships and chairmanship of the existing members of the board.</i>
Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.		Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.	
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a	COMPLIANT	Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions	

company's Enterprise Risk Management system to ensure its functionality and effectiveness.		https://www.mrcallied.com/manual-on-corporate-governance https://www.mrcallied.com/board-committees	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	COMPLIANT	Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship https://www.mrcallied.com/board-committees	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	COMPLIANT	Provide information or link/reference to a document containing information on the Chairman of the BROC https://www.mrcallied.com/board-committees	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	COMPLIANT	Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC. https://www.mrcallied.com/board-committees	
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	NON-COMPLIANT	Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.	<i>Due to the Company's size, risk and operations profile, it has no separate committee for Related Party Transactions (RPT). Currently, all transactions of the company undergo review by the Board Risk Oversight Committee, which is composed of Three (3) Directors, Two (2) of whom, including the chairman, are currently independent directors.</i>
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	NON-COMPLIANT	Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.	<i>Due to the Company's size, risk and operations profile, it has no separate committee for Related Party Transactions (RPT). Currently, all transactions of the company undergo review by the Board Risk Oversight Committee, which is composed of Three (3) Directors, Two (2)</i>

			of whom, including the chairman, are currently independent directors.
Recommendation 3.6			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	COMPLIANT	Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.	
2. Committee Charters provide standards for evaluating the performance of the Committees.	COMPLIANT	https://www.mrcallied.com/manual-on-corporate-governance https://www.mrcallied.com/board-committees	
3. Committee Charters were fully disclosed on the company's website.	COMPLIANT	Provide link to company's website where the Committee Charters are disclosed. https://www.mrcallied.com/board-committees https://www.mrcallied.com/other-disclosures	
Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.			
Recommendation 4.1			
1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	COMPLIANT	Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings. https://www.mrcallied.com/manual-on-corporate-governance https://www.mrcallied.com/board-committees Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.	

		https://www.mrcallied.com/minutes-of-stockholders-meetings	
2. The directors review meeting materials for all Board and Committee meetings.	COMPLIANT	<p>The management send the materials at least five (5) days before the meeting.</p> <p>MRC management, through the Office of the Corporate Secretary, notify and send out materials to the Board of Directors thru their respective electronic mail (e-mail) addresses.</p>	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	COMPLIANT	<p>Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors</p> <p>https://www.mrcallied.com/other-disclosures</p>	
Recommendation 4.2			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	COMPLIANT	<p>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</p> <p>https://www.mrcallied.com/manual-on-corporate-governance</p> <p>Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies</p> <p>https://www.mrcallied.com/sec-filings</p> <p>https://www.mrcallied.com/other-disclosures</p>	
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	COMPLIANT	<p>Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.</p> <p>https://www.mrcallied.com/sec-filings</p> <p>https://www.mrcallied.com/other-disclosures</p>	
Optional: Principle 4			

1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.			
2. Company schedules board of directors' meetings before the start of the financial year.			
3. Board of directors meet at least six times during the year.		Indicate the number of board meetings during the year and provide proof	
4. Company requires as minimum quorum of at least 2/3 for board decisions.		Indicate the required minimum quorum for board decisions	

Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs

Recommendation 5.1

1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	NON-COMPLIANT	Provide information or link/reference to a document containing information on the number of independent directors in the board.	<i>The Company is in the process of applying with the SEC the increase of the number of directors from 7 to 9. Thus, the number of independent director will increase from 2 to 3. Pending the implementation of said amendment, the company has put on status quo the committee memberships and chairmanship of the existing members of the board.</i>
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Recommendation 5.2

1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	COMPLIANT	Provide information or link/reference to a document containing information on the qualifications of the independent directors. https://www.mrcallied.com/manual-on-corporate-governance	
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Supplement to Recommendation 5.2

1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	COMPLIANT	Provide link/reference to a document containing information that directors are not constrained to vote independently. https://www.mrcallied.com/manual-on-corporate-governance	
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		https://www.mrcallied.com/sec-filings	
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	COMPLIANT	Provide information or link/reference to a document showing the years IDs have served as such. https://www.mrcallied.com/manual-on-corporate-governance https://www.mrcallied.com/sec-filings	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	COMPLIANT	Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director https://www.mrcallied.com/manual-on-corporate-governance https://www.mrcallied.com/sec-filings	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	COMPLIANT	Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting. https://www.mrcallied.com/manual-on-corporate-governance MRC have not retained its independent directors in the same capacity after a period of nine years.	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	COMPLIANT	Identify the company's Chairman of the Board and Chief Executive Officer https://www.mrcallied.com/our-company Chairman of the Board: Mr. JIMMY T. YAOKASIN (2018 to present) President/CEO: Mr. AUGUSTO M. COSIO, JR. (2018 to present)	

2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	COMPLIANT	Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer. https://www.mrcallied.com/manual-on-corporate-governance	
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	COMPLIANT	Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any. https://www.mrcallied.com/manual-on-corporate-governance	
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	COMPLIANT	Provide proof of abstention, if this was the case https://www.mrcallied.com/manual-on-corporate-governance So far, there have been no cases/instances of MRC directors having material interest in any transactions that could affect the company.	
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	COMPLIANT	Provide proof and details of said meeting, if any. https://www.mrcallied.com/board-committees <i>Please see attached Annex "C": Minutes of the Board Audit Committee Meeting</i>	
2. The meetings are chaired by the lead independent director.	COMPLIANT	Provide information on the frequency and attendees of meetings. https://www.mrcallied.com/manual-on-corporate-governance	
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.		Provide name/s of company CEO for the past 2 years	

Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.

Recommendation 6.1

1. Board conducts an annual self-assessment of its performance as a whole.	COMPLIANT	Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees https://www.mrcallied.com/manual-on-corporate-governance <i>Please refer to Annex "A".</i>	
2. The Chairman conducts a self-assessment of his performance.	COMPLIANT		
3. The individual members conduct a self-assessment of their performance.	COMPLIANT		
4. Each committee conducts a self-assessment of its performance.	COMPLIANT		
5. Every three years, the assessments are supported by an external facilitator.	COMPLIANT	Identify the external facilitator and provide proof of use of an external facilitator. https://www.mrcallied.com/manual-on-corporate-governance	

Recommendation 6.2

1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	COMPLIANT	Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders https://www.mrcallied.com/manual-on-corporate-governance	
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	Provide information on or link/reference to the company's Code of Business Conduct and Ethics. https://www.mrcallied.com/code-of-business-conduct	
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2. The Code is properly disseminated to the Board, senior management and employees.	COMPLIANT	<p>Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.</p> <p>https://www.mrcallied.com/code-of-business-conduct</p> <p>MRC disseminated the Code of Conduct and Business Ethics by way of presentation/discussion with the Board of Directors, Senior Officers and employees. Copy of the Code were also distributed to the Board of Directors, Senior Officers and employees, acknowledging receipt thereof.</p>	
3. The Code is disclosed and made available to the public through the company website.	COMPLIANT	<p>Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/disclosed.</p> <p>https://www.mrcallied.com/company-policies</p> <p>https://www.mrcallied.com/code-of-business-conduct</p>	
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	<p>Provide information on or link/reference to a document containing information on the company's policy and procedure on curbing and penalizing bribery.</p> <p>https://www.mrcallied.com/manual-on-corporate-governance</p> <p>https://www.mrcallied.com/code-of-business-conduct</p>	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT	<p>Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.</p>	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	COMPLIANT	<p>https://www.mrcallied.com/manual-on-corporate-governance</p> <p>https://www.mrcallied.com/code-of-business-conduct</p>	

		<p>Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.</p> <p>The Board of Directors, Senior Officers and Employees are required to comply with the Code of Business Conduct and Ethics.</p>	
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.			
Recommendation 8.1			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	COMPLIANT	<p>Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders</p> <p>https://www.mrcallied.com/other-disclosures</p>	
Supplement to Recommendations 8.1			
1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.	COMPLIANT	<p>Indicate the number of days within which the consolidated and interim reports were published, distributed or made available from the end of the fiscal year and end of the reporting period, respectively.</p> <p>https://www.mrcallied.com/other-disclosures</p> <p>https://www.mrcallied.com/sec-filings</p> <p>The following reports were disclosed and submitted through PSE edge within the period required by applicable laws and regulations, to wit:</p> <ul style="list-style-type: none"> a. SEC Form 17-Q (1st Quarter) – May 3, 2019 (45 days) b. SEC Form 17-Q (2nd Quarter) – August 1, 2019 (45 days) c. SEC Form 17-Q (3rd Quarter) – November 12, 2019 (45 days) d. SEC Form 17-A – April 11, 2019 (105 days) 	

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.	COMPLIANT	<p>Provide link or reference to the company's annual report where the following are disclosed:</p> <ol style="list-style-type: none"> 1. principal risks to minority shareholders associated with the identity of the company's controlling shareholders; 2. cross-holdings among company affiliates; and 3. any imbalances between the controlling shareholders' voting power and overall equity position in the company <p>https://www.mrcallied.com/sec-filings</p>	
Recommendation 8.2			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	COMPLIANT	<p>Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share.</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.	COMPLIANT	<p>https://www.mrcallied.com/code-of-business-conduct</p> <p>https://www.mrcallied.com/manual-on-corporate-governance</p> <p>Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.</p> <p>https://www.mrcallied.com/sec-filings</p>	
Supplement to Recommendation 8.2			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	COMPLIANT	<p>Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders.</p> <p>https://www.mrcallied.com/other-disclosures</p> <p>Provide link or reference to the company's Conglomerate Map.</p> <p>https://www.mrcallied.com/our-company</p>	

		https://www.mrcallied.com/sec-filings	
Recommendation 8.3			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended. https://www.mrcallied.com/our-company https://www.mrcallied.com/other-disclosures	
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	Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended. https://www.mrcallied.com/our-company https://www.mrcallied.com/other-disclosures	
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	COMPLIANT	Disclose or provide link/reference to the company policy and practice for setting board remuneration https://www.mrcallied.com/manual-on-corporate-governance	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	COMPLIANT	Disclose or provide link/reference to the company policy and practice for determining executive remuneration https://www.mrcallied.com/manual-on-corporate-governance https://www.mrcallied.com/sec-filings	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	COMPLIANT	Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.	

		https://www.mrcallied.com/manual-on-corporate-governance https://www.mrcallied.com/sec-filings	
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	COMPLIANT	<p>Disclose or provide reference/link to company's RPT policies Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</p> <p>https://www.mrcallied.com/manual-on-corporate-governance</p> <p>https://www.mrcallied.com/company-policies</p> <p>https://www.mrcallied.com/sec-filings</p>	
2. Company discloses material or significant RPTs reviewed and approved during the year.	COMPLIANT	<p>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</p> <ol style="list-style-type: none"> 1. name of the related counterparty; 2. relationship with the party; 3. transaction date; 4. type/nature of transaction; 5. amount or contract price; 6. terms of the transaction; 7. rationale for entering into the transaction; 8. the required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and 9. other terms and conditions <p>https://www.mrcallied.com/manual-on-corporate-governance https://www.mrcallied.com/sec-filings</p> <p><i>The company has no related party transaction for year 2019.</i></p>	

Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	COMPLAINT	Indicate where and when directors disclose their interests in transactions or any other conflict of interests. https://www.mrcallied.com/sec-filings	
Optional : Recommendation 8.5			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.		Provide link or reference where this is disclosed, if any	
Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	COMPLIANT	Provide link or reference where this is disclosed https://www.mrcallied.com/other-disclosures	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	COMPLIANT	Identify independent party appointed to evaluate the fairness of the transaction price For 2019, no transactions particularly on the acquisition or disposal of significant assets have been made. Disclose the rules and procedures for evaluating the fairness of the transaction price, if any. For 2019, no transactions particularly on the acquisition or disposal of significant assets have been made	
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on	COMPLIANT	Provide link or reference where these are disclosed. https://www.mrcallied.com/other-disclosures	

the control, ownership, and strategic direction of the company.			
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	Provide link to the company's website where the Manual on Corporate Governance is posted. https://www.mrcallied.com/manual-on-corporate-governance	
2. Company's MCG is submitted to the SEC and PSE.	COMPLIANT		
3. Company's MCG is posted on its company website.	COMPLIANT		
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	COMPLIANT	Provide proof of submission. https://www.mrcallied.com/other-disclosures	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:		Provide link or reference to the company's Annual Report containing the said information.	
a. Corporate Objectives			
b. Financial performance indicators			
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			
g. Total remuneration of each member of the board of directors			
2. The Annual Report contains a statement confirming the company's full compliance		Provide link or reference to where this is contained in the Annual Report	

with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.			
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.		Provide link or reference to where this is contained in the Annual Report	
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.		Provide link or reference to where this is contained in the Annual Report	
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).		Provide link or reference to where these are contained in the Annual Report	

Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

Recommendation 9.1

1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	COMPLIANT	<p>Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.</p> <p>https://www.mrcallied.com/manual-on-corporate-governance</p> <p>https://www.mrcallied.com/sec-filings</p>	
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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	Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor. The percentage of shareholders that ratified on 18 June 2019 (MRC ASM) are 51.7906%.	
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	Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor. https://www.mrcallied.com/manual-on-corporate-governance https://www.mrcallied.com/sec-filings	
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	COMPLIANT	Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years. https://www.mrcallied.com/manual-on-corporate-governance	
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.	COMPLIANT	Provide link/reference to the company's Audit Committee Charter https://www.mrcallied.com/board-committees https://www.mrcallied.com/manual-on-corporate-governance	

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	Provide link/reference to the company's Audit Committee Charter https://www.mrcallied.com/board-committees https://www.mrcallied.com/manual-on-corporate-governance	
Supplement to Recommendations 9.2			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	COMPLIANT	Provide link/reference to the company's Audit Committee Charter https://www.mrcallied.com/board-committees https://www.mrcallied.com/manual-on-corporate-governance	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	COMPLIANT	Provide link/reference to the company's Audit Committee Charter https://www.mrcallied.com/board-committees https://www.mrcallied.com/manual-on-corporate-governance	
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	COMPLIANT	Disclose the nature of non-audit services performed by the external auditor, if any. https://www.mrcallied.com/manual-on-corporate-governance https://www.mrcallied.com/other-disclosures	
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	Provide link or reference to guidelines or policies on non-audit services https://www.mrcallied.com/manual-on-corporate-governance https://www.mrcallied.com/board-committees	
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	COMPLIANT	Provide information on audit and non-audit fees paid.	

		https://www.mrcallied.com/other-disclosures	
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	COMPLIANT	<p>Provide information on company's external auditor, such as:</p> <ol style="list-style-type: none"> 1. Name of the audit engagement partner; 2. Accreditation number; 3. Date Accredited; 4. Expiry date of accreditation; and 5. Name, address, contact number of the audit firm. <p>Accountant: Reyes Tacandong & Co. SEC Accreditation No.:1499-AR- 1 Group Date Accredited: July 18, 2018 Expiry Date: July 17, 2021 Certifying Partner: Michelle R. Mendoza-Cruz CPA Certificate No.: 97380 Address: 26th Floor Citibank Tower 8741, Paseo de Roxas, Makati City Contact Number: (02) 982-9100/982-9111</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).	COMPLIANT	<p>Provide information on the following:</p> <ol style="list-style-type: none"> 1. Date it was subjected to SOAR inspection, if subjected; 2. Name of the Audit firm; and 3. Members of the engagement team inspected by the SEC. <p>The external auditor agreed to be subjected for inspection with the SEC Oversight Assurance Review (SOAR), SEC will determine the schedule for inspection.</p>	
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			

1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	COMPLIANT	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues. https://www.mrcallied.com/ https://www.facebook.com/MRCAlliedInc/	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	COMPLIANT	Provide link to Sustainability Report, if any. Disclose the standards used. https://www.mrcallied.com/ https://www.facebook.com/MRCAlliedInc/	

Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

Recommendation 11.1

1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	COMPLIANT	Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any. https://www.mrcallied.com/other-disclosures https://www.facebook.com/MRCAlliedInc/	
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Supplemental to Principle 11

1. Company has a website disclosing up-to-date information on the following:	COMPLIANT	Provide link to company website	
a. Financial statements/reports (latest quarterly)	COMPLIANT	https://www.mrcallied.com/	
b. Materials provided in briefings to analysts and media	COMPLIANT	https://www.mrcallied.com/sec-filings	
c. Downloadable annual report	COMPLIANT	https://www.mrcallied.com/notice-of-asm	
d. Notice of ASM and/or SSM	COMPLIANT		

e. Minutes of ASM and/or SSM	COMPLIANT	https://www.mrcallied.com/minutes-of-stockholders-meetings	
f. Company's Articles of Incorporation and By-Laws	COMPLIANT	https://www.mrcallied.com/other-disclosures https://www.mrcallied.com/our-company	
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	COMPLIANT	https://www.mrcallied.com/	
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	<p>List quality service programs for the internal audit functions.</p> <p>Indicate frequency of review of the internal control system</p> <p><i>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.</i></p>	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	COMPLIANT	<p>Identify international framework used for Enterprise Risk Management</p> <p>Provide information or reference to a document containing information on:</p> <p>1. Company's risk management procedures and processes</p>	

		<p>2. Key risks the company is currently facing</p> <p>3. How the company manages the key risks</p> <p>The Risk Oversight Committee has the responsibility to assist the Board in ensuring that there is effective and integrated risk management process in place. With an integrated approach, the Board and top management will be in a confident position to make well-informed decisions, having taken into consideration risks related to significant business activities, plans and opportunities.</p> <p>Indicate frequency of review of the enterprise risk management framework.</p> <p>The Board oversee that a sound enterprise risk management (ERM) framework is in place to effectively identify, monitor, assess and manage key business risks. The risk management framework shall guide the Board in identifying units/ business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.</p>	
Supplement to Recommendations 12.1			
<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>	COMPLIANT	<p>Provide information on or link/ reference to a document containing the company's compliance program covering compliance with laws and relevant regulations.</p> <p>https://www.mrcallied.com/manual-on-corporate-governance</p> <p>Indicate frequency of review.</p> <p>The 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.</p>	
Optional: Recommendation 12.1			
<p>1. Company has a governance process on IT issues including disruption, cyber security,</p>		Provide information on IT governance process	

and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.			
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	COMPLIANT	<p>Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.</p> <p><i>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.</i></p>	
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	COMPLIANT	<p>Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.</p> <p>https://www.mrcallied.com/manual-on-corporate-governance</p> <p><i>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.</i></p>	
2. CAE oversees and is responsible for the internal audit activity of the organization,	COMPLIANT	https://www.mrcallied.com/manual-on-corporate-governance	

including that portion that is outsourced to a third-party service provider.			
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	Identify qualified independent executive or senior management personnel, if applicable. https://www.mrcallied.com/manual-on-corporate-governance	
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	COMPLIANT	Provide information on company's risk management function. The risk management function involves the following activities: a.) Defining a risk management strategy; b.) Identifying and analyzing key risks exposure relating to economic, environmental, social and governance (EESG) factors and the achievement of the organization's strategic objectives; c.) Evaluating and categorizing each identified risk using the Corporation's predefined risk categories and parameters; d.) Establishing a risk register with clearly defined, prioritized and residual risks; e.) Developing a risk mitigation plan for the most important risks to the Corporation, as defined by the risk management strategy; f.) Communicating and reporting significant risk exposures including business risks (i.e. strategic, compliance, operational, financial and reputational risks), control issues and risk mitigation plan to the Board Risk Oversight Committee; and g.) Monitoring and evaluating the effectiveness of the organization's risk management process.	
Supplement to Recommendation 12.4			

1. Company seeks external technical support in risk management when such competence is not available internally.	COMPLIANT	<p>Identify source of external technical support, if any.</p> <p>The external facilitator can be any independent party such as, but not limited to, a consulting firm, an academic institution, or a professional organization.</p>	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	COMPLIANT	<p>Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.</p> <p>https://www.mrcallied.com/manual-on-corporate-governance</p> <p>The Chief Risk Officer (CRO) is the ultimate champion of Enterprise Risk Management (ERM) and has adequate authority, stature, resources and support to fulfill his/her responsibilities, subject to the company's size, risk profile and complexity of operations.</p> <p>The CRO has the following functions:</p> <p>a.) Supervises the entire ERM process and spearheads the development, implementation, maintenance and continuous improvement of ERM processes and documentation;</p> <p>b.) Communicates the top risks and the status of implementation of risk management strategies and action plans to the Board Risk Oversight Committee;</p> <p>c.) Collaborates with the CEO in updating and making recommendations to the Board Risk Oversight Committee;</p> <p>d.) Suggests ERM policies and related guidance, as may be needed; and</p> <p>e.) Provides insights on the following:</p> <ul style="list-style-type: none"> • Risk management processes are performing as intended; • Risk measures reported are continuously reviewed by risk owners for effectiveness; and 	

		<ul style="list-style-type: none"> Established risk policies and procedures are being complied with. <p>There shall be clear communication between the Board Risk Oversight Committee and the CRO.</p>	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	COMPLIANT	The Chief Risk Officer (CRO) is the ultimate champion of Enterprise Risk Management (ERM) and has adequate authority, stature, resources and support to fulfill his/her responsibilities, subject to the company's size, risk profile and complexity of operations.	
Additional Recommendation to Principle 12			
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	<p>Provide link to CEO and CAE's attestation</p> <p>https://www.mrcallied.com/sec-filings</p> <p>https://www.mrcallied.com/other-disclosures</p>	
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	COMPLIANT	<p>Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.</p> <p>https://www.mrcallied.com/manual-on-corporate-governance</p>	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	COMPLIANT	<p>Provide link to company's website</p> <p>https://www.mrcallied.com/manual-on-corporate-governance</p>	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	COMPLIANT	At every meeting of the stockholders of the Company, every stockholder shall be entitled to one vote for each share stock standing in his name on the books of the Company, provided, however, that in the case of the election of directors every stockholder shall be entitled to cumulate his votes in accordance with the provisions of law in such case made and provided. Every stockholder entitled to vote at any meeting of the stockholders may so vote by proxy, provided that the proxy shall have been	

		appointed in writing by the stockholder himself, of by his duly authorized attorney. (As per company By-Laws Section 3.)	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	COMPLIANT	<p>Provide information on all classes of shares, including their voting rights if any.</p> <p>Shareholders Voting Rights are as follows:</p> <p>1. Shareholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code.</p> <p>2. Cumulative voting shall be used in the election of directors. Directors may be removed with or without cause, but Directors shall not be removed without cause if it will deny minority shareholders representation in the Board.</p> <p>3. Removal of Directors requires an affirmative vote of two-thirds (2/3) of the outstanding capital of the Corporation.</p> <p>4. Any stockholder may nominate candidates for election to the Board of Directors by sending a nomination letter to the Nomination Committee within the relevant deadline as may be approved by the Board and disclosed pursuant to the rules of the Philippine Stock Exchange. All nominations will be reviewed and deliberated upon by the Nomination Committee prior to indorsing the qualified candidates for ratification and approval by the Board.</p>	
3. Board has an effective, secure, and efficient voting system.	COMPLIANT	<p>Provide link to voting procedure. Indicate if voting is by poll or show of hands.</p> <p>https://www.mrcallied.com/sec-filings</p>	
4. Board has an effective shareholder voting mechanism such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	COMPLIANT	<p>Provide information on shareholder voting mechanisms such as supermajority or "majority of minority", if any.</p> <p>https://www.mrcallied.com/manual-on-corporate-governance</p>	
5. Board allows shareholders to call a special shareholders' meeting and submit a	COMPLIANT	Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution)	

proposal for consideration or agenda item at the AGM or special meeting.		For 2019, no special stockholders' meeting was conducted.	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	COMPLIANT	Provide information or link/reference to the policies on treatment of minority shareholders https://www.mrcallied.com/manual-on-corporate-governance	
7. Company has a transparent and specific dividend policy.	COMPLIANT	Provide information on or link/reference to the company's dividend Policy. Indicate if company declared dividends. If yes, indicate the number of days within which the dividends were paid after declaration. In case the company has offered scrip-dividends, indicate if the company paid the dividends within 60 days from declaration https://www.mrcallied.com/manual-on-corporate-governance	
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.		Identify the independent party that counted/validated the votes at the ASM, if any.	
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	COMPLIANT	Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out https://www.mrcallied.com/sec-filings Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting. https://www.mrcallied.com/sec-filings	

		Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS) https://www.mrcallied.com/sec-filings	
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	COMPLIANT	Provide link or reference to the company's notice of Annual Shareholders' Meeting https://www.mrcallied.com/notice-of-asm	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	COMPLIANT	https://www.mrcallied.com/sec-filings	
b. Auditors seeking appointment/re-appointment	COMPLIANT	https://www.mrcallied.com/sec-filings	
c. Proxy documents	COMPLIANT	<p>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.</p> <p>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.</p> <p>Proxy forms must be received by the Corporate Secretary of the company at the latter's principal office address at 5th 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.</p>	
Optional: Recommendation 13.2			

1. Company provides rationale for the agenda items for the annual stockholders meeting		Provide link or reference to the rationale for the agenda items	
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	COMPLIANT	Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM. https://www.mrcallied.com/other-disclosures	
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	Provide link to minutes of meeting in the company website. https://www.mrcallied.com/minutes-of-stockholders-meetings Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes. https://www.mrcallied.com/sec-filings https://www.mrcallied.com/other-disclosures Indicate also if the voting on resolutions was by poll. https://www.mrcallied.com/other-disclosures Include whether there was opportunity to ask question and the answers given, if any https://www.mrcallied.com/other-disclosures	
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	COMPLIANT	Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting	

		Representatives from the external auditor, Reyes Tacandong & Company, attended the Annual Stockholder's Meeting held last 18 June 2019 of MRC Allied Inc.	
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	COMPLIANT	Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes The Corporation adopts the rules and procedures set forth under Republic Act No. 9285, otherwise known as the Alternative Dispute Resolution Act of 2004, as an alternative means to settle disputes with a view towards preventing excessive litigation.	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	COMPLIANT	Provide link/reference to where it is found in the Manual on Corporate Governance https://www.mrcallied.com/manual-on-corporate-governance	
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	COMPLIANT	Disclose the contact details of the officer/office responsible for investor relations, such as: 1. Name of the person: Ms. Maria May P. Militante 2. Telephone number: (02) 8846- 7910 3. Fax number: (02) 8519-8945 4. E-mail address: may.militante@mrcallied.com	
2. IRO is present at every shareholder's meeting.	COMPLIANT	Indicate if the IRO was present during the ASM. The IRO of the company is present during the Annual Stockholder's Meeting held last 18 June 2019 and in fact, she is our company's host for that said event.	
Supplemental Recommendations to Principle 1			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	COMPLIANT	Provide information on how anti-takeover measures or similar devices were avoided by the board, if any https://www.mrcallied.com/manual-on-corporate-governance	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	COMPLIANT	Indicate the company's public float. As of 31 December 2019, the company's public float is 48.07%	

Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting		Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.		Disclose the process and procedure for secure electronic voting in absentia, if any.	
Duties to Stakeholders			
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	COMPLIANT	<p>Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.</p> <p>The Board identifies the Corporation's various stakeholders and promote cooperation between them and the company in creating wealth, growth and sustainability. Stakeholders in corporate governance include, but are not limited to, customers, employees, suppliers, shareholders, investors, creditors, the community the company operates in, society, the government, regulators, competitors, external auditors, etc. In formulating the company's strategic and operational decisions affecting its wealth, growth and sustainability, due consideration is given to those who have an interest in the company and are directly affected by its operations.</p> <p>https://www.mrcallied.com/manual-on-corporate-governance</p>	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	COMPLIANT	Identify policies and programs for the protection and fair treatment of company's stakeholders	

		<p>The Board established clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders. The Code of Conduct ideally includes provisions on the Corporation's policies and procedures on dealing with various stakeholders. Fair, professional and objective dealings as well as clear, timely and regular communication with the various stakeholders ensure their fair treatment and better protection of their rights.</p>	
Recommendation 14.3			
<p>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.</p>	COMPLIANT	<p>Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights.</p> <p>https://www.mrcallied.com/old-investor-relations</p> <p>Ms. Maria May P. Militante Chief Public Relations & Business Development Officer Telephone Nos. (632) 8846-7910/ (632) 8519-8945</p> <p>Provide information on whistleblowing policy, practices and procedures for stakeholders</p> <p>The 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.</p> <p>It shall be the duty of the directors to promote shareholder rights, remove impediments to the exercise of shareholders' rights and allow possibilities to seek redress for violation of their rights. They shall encourage the exercise of shareholders' voting rights and the solution of collective action problems through appropriate mechanisms. They shall be instrumental in removing excessive costs and other administrative or practical impediments to shareholders participating in meetings and/or voting in person. The directors shall pave the way for the</p>	

		electronic filing and distribution of shareholder information necessary to make informed decisions subject to legal constraints.	
Supplement to Recommendation 14.3			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	COMPLIANT	<p>Provide information on the alternative dispute resolution system established by the company.</p> <p>The Corporation adopts the rules and procedures set forth under Republic Act No. 9285, otherwise known as the Alternative Dispute Resolution Act of 2004, as an alternative means to settle disputes with a view towards preventing excessive litigation.</p>	
Additional Recommendations to Principle 14			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it 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.	COMPLIANT	<p>Disclose any requests for exemption by the company and the reason for the request.</p> <p>For the year 2019, MRC did not request any exemption.</p>	
2. Company respects intellectual property rights.	COMPLIANT	<p>Provide specific instances, if any.</p> <p>MRC have not encountered instances/situations that relates to Intellectual Property Rights.</p>	
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare		Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same.	
2. Company discloses its policies and practices that address supplier/contractor selection procedures		Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same.	
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			

Recommendation 15.1

1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	COMPLIANT	Provide information on or link/reference to company policies, programs and procedures that encourage employee participation. https://www.mrcallied.com/manual-on-corporate-governance https://www.mrcallied.com/company-policies https://www.mrcallied.com/code-of-business-conduct	
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Supplement to Recommendation 15.1

1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	COMPLIANT	Disclose if company has in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders. https://www.mrcallied.com/manual-on-corporate-governance	
2. Company has policies and practices on health, safety and welfare of its employees.	COMPLIANT	Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any. https://www.mrcallied.com/company-policies	
3. Company has policies and practices on training and development of its employees.	COMPLIANT	Disclose and provide information on policies and practices on training and development of employees. https://www.mrcallied.com/company-policies Include information on any training conducted or attended. PSE Annual Disclosure Seminar PSE Bldg. BGC Taguig City November 8, 2019 No. of Hours: 4	

		<p>Corporate Governance Seminar Dusit Thani, Ayala Makati City May 22, 2019 No. of Hours: 4</p> <p>Seminar for Corporate Secretaries on the New Requirements in the General information Sheet Beneficial Ownership Info & Data Privacy SEC Office, PICC Bldg. Pasay City January 24, 2019 No. of Hours: 1.5</p> <p>SEC PSE Conference on Building Sustainable Business Community April 12, 2019 No. of Hours: 8</p> <p>Future Energy Show Philippines May 20, 2019 No. of Hours: 8</p> <p>SEC/PSE Sustainability Reporting Workshop June 7, 2019 No. of Hours: 5</p> <p>2nd Philippine Power Development Summit 2019 PIPPA/IPPF July 10-11, 2019 (2 days seminar) No. of Hours:16</p> <p>RTD on IOSCO Audit Committee Best Practices & Rules on Material Related Party Transactions July 3, 2019 No. of Hours: 4</p>	
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		<p>Construction Contract Management Quisumbing Torres Management July 24, 2019 No. of Hours: 4</p> <p>Asia IoT Business Platform: Driving Digitalization Ecosystems in Philippine/ Asia IoT Business Platform July 24-25, 2019 No. of Hours: 12</p> <p>Women in Law on Employment Laws and Data Privacy Updates Quisumbing Torres August 29, 2019 No. of Hours: 5</p> <p>Quisumbing Torres Women in Law Series Doing Business Made Easier: Introduction to the revised Corporation Code March 25, 2019 No. of Hours: 4</p>	
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	COMPLIANT	<p>Identify or provide link/reference to the company's policies, programs and practices on anti-corruption</p> <p>https://www.mrcallied.com/code-of-business-conduct</p>	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	<p>Identify how the board disseminated the policy and program to employees across the organization</p> <p>https://www.mrcallied.com/company-policies</p>	
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	COMPLIANT	<p>Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices.</p>	

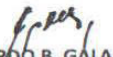
		https://www.mrcallied.com/code-of-business-conduct Include any finding of violations of the company policy. There have been no reports or findings on violations of the Code of Conduct and Business Ethics.	
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	COMPLIANT	Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees. https://www.mrcallied.com/company-policies Indicate if the framework includes procedures to protect the employees from retaliation. https://www.mrcallied.com/company-policies https://www.mrcallied.com/code-of-business-conduct Provide contact details to report any illegal or unethical behavior. https://www.mrcallied.com/old-investor-relations Ms. Maria May P. Militante Chief Public Relations & Business Development Officer Telephone Nos. (632) 8846-7910/ (632) 8519-8945	
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	https://www.mrcallied.com/company-policies https://www.mrcallied.com/code-of-business-conduct	

3. Board supervises and ensures the enforcement of the whistleblowing framework.	COMPLIANT	<p>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.</p> <p>https://www.mrcallied.com/manual-on-corporate-governance</p> <p>https://www.mrcallied.com/company-policies</p>	
Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
Recommendation 16.1			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	COMPLIANT	<p>Provide information or reference to a document containing information on the company's community involvement and environment-related programs.</p> <p>https://www.mrcallied.com/manual-on-corporate-governance</p> <p>https://www.mrcallied.com/corporate-social-responsibility</p> <p>https://www.mrcallied.com/company-policies</p>	
Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development		Identify or provide link/reference to policies, programs and practices to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development.	
2. Company exerts effort to interact positively with the communities in which it operates		Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.	


Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report (I-ACGR) is signed on behalf of the registrant by the undersigned; thereunto duly authorized, in the City of MAKATI CITY on 23 JUL 2020 2020.

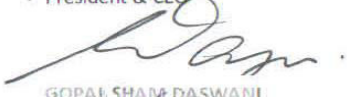
SIGNATURES



JIMMY T. YAKASIN
Chairman of the Board


BERNARDO B. GALANG
Independent Director


ATTY. JOHNSTON R. BRUSOLA
Corporate Secretary


AUGUSTO M. COSIO, JR.
President & CEO


GOPAL SHAM DASWANI
Independent Director



HELEN Q. CHICO
Compliance Officer

SUBSCRIBED AND SWORN to before me this 23 JUL 2020 day of JUL 2020, affiant(s) exhibiting to me their _____, as follows:

NAME/	TIN NO.
JIMMY T. YAKASIN	129-683-430-000
AUGUSTO M. COSIO, JR.	168-603-906-000
BERNARDO B. GALANG	123-329-182-000
ATTY. JOHNSTON R. BRUSOLA	284-181-885-000
HELEN Q. CHICO	240-284-897-000

Doc No. 90;
Page No. 20;
Book No. 1;
Series of 2020

SEC Form – I-ACGR * Updated 21Dec2017


ATTY. GLADYS N. NALDA
COMMISSION NO. M-68
NOTARY PUBLIC FOR MAKATI CITY
UNTIL DECEMBER 31 2020
5/F EUROVILLA 4 BLDG., 853 ARNAIZ AVE.
LEGAZPI VILLAGE, MAKATI CITY
ATTORNEY'S ROLL NO. 50978
MCLE COMPLIANCE V-0018075
PTR No. 8127729/ 01-08-20/ MAKATI
BP No. 108954/ 01-10-20/ LEGAL



BOARD PERFORMANCE APPRAISAL/EVALUATION

Policy and Procedures

The Company recognizes that to sustain good corporate governance within the organization, the same sound culture must be cultivated and sustained from the top. Monitoring of the governance structure and performance of the Board and top management according to their roles is crucial.

As Company policy and practice, the Board of Directors (“Board”) conducts a regular self-assessment exercise through a self-assessment questionnaire given to each director to ensure the effectiveness of their governance, to reflect on the performance of top management including the President & CEO, to highlight specific strengths and to identify areas of improvement. The assessment covers appraisal of the Board as a governing unit, of individual directors, of the different Board Committees, as well as of the Management including the President & CEO.

Criteria and Process

The assessment criteria include the structure, efficiency, and effectiveness of the Board, participation, and engagement of each member of the Board, contribution of each member director to their respective Committees, and performance of management. The criteria also reflect the specific duties, responsibilities and accountabilities of each party assessed as provided in the Company By-Laws, Manuals, Charters, and governing policies.

Performance assessment shall be based on the criteria below.

Rating Scale	
Scale	Performance
5	Exceptionally Good
4	Good
3	Satisfactory
2	Needs Improvement
1	Unacceptable

A portion of the form is also dedicated to the remarks, additional comments, and suggestions that each director is encouraged to fill-up to further enrich the assessment process.

For further clarification on this policy and the self-assessment exercise, the Board may address their queries to the Board Corporate Secretary and/or the Compliance Officer.

PERFORMANCE EVALUATION FORM

Name of Independent Director Being Assessed: _____
Name of Director making assessment: _____
Period Covered: _____

INDEPENDENT DIRECTORS

The specific issues and questions that should be considered in the performance evaluation of Independent Director are set out herein below.

Item No.	Assessment Criteria	Rating
1	Attendance and participation in the meetings	
2	Leadership initiative and advisory role	
3	Abidance and behavior in accordance with ethical standards& code of conduct of Company	
4	Raising of valid concerns to the Board and constructive contribution to resolution of issues at meetings	
5	Safeguard of confidential information	
6	Initiative in terms of new ideas and planning for the Company	
7	Information about the Company and the external environment and factors affecting the working condition of the company	
8	Safeguarding interest of whistle-blowers under vigil mechanism	
9	Team work attributes	
10	Compliance with policies of the Company, ethics, code of conduct, etc.	

Other Comments:

Verification and Signature:

Signature Over Printed Name

Date

PERFORMANCE EVALUATION FORM

Name of Regular Director Being Assessed: _____
Name of Director making assessment: _____
Period Covered: _____

REGULAR/NON-INDEPENDENT DIRECTORS

The specific issues and questions that should be considered in the performance evaluation of Regular /Non-Independent Director by other Directors are set out herein below.

Item No.	Assessment Criteria	Rating
1	Attendance and participation in the meetings	
2	Leadership initiative and advisory role	
3	Abidance and behavior in accordance with ethical standards& code of conduct of Company	
4	Raising of valid concerns to the Board and constructive contribution to resolution of issues at meetings	
5	Safeguard of confidential information	
6	Initiative in terms of new ideas and planning for the Company	
7	Information about the Company and the external environment and factors affecting the working	
8	Safeguarding interest of whistle-blowers under vigil mechanism	
9	Team work attributes	
10	Compliance with policies of the Company, ethics, code of conduct, etc.	

Other Comments:

Verification and Signature:

Signature Over Printed Name

Date



EMPLOYEE PERFORMANCE REVIEW

Employee Information			
Name		Review Period	
Position		Employee ID Number	
Department / Office		Supervising Head / Manager	

Performance Evaluation					
Performance Indicators	1 Poor	2 Fair	3 Satisfactory	4 Good	5 Excellent
Job Knowledge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments					
Work Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments					
Attendance/Punctuality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments					
Initiative	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments					
Communication Skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments					
Dependability/Reliability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments					
Overall Performance					
*Average the rating numbers above					

Other Evaluation	
ADDITIONAL COMMENTS AND/OR SUGGESTIONS	

Verification of Review			
By signing this form, you confirm that you have discussed this review in detail with your supervisor. Signing this form does not necessarily indicate that you agree with this evaluation.			
Employee Signature		Date	
Manager Signature		Date	



MINUTES OF THE JOINT EXECOM, GOVCOM and AUDITCOM MEETING

The Tower Club, Paseo de Roxas, Makati City

02 April 2019

9:00 A.M.

PRESENT:

Mr. AUGUSTO M. COSIO JR

Mr. JAMES G. VELASQUEZ

Mr. BERNARD B. RABANZO

Mr. JIMMY T. YAOKASIN

Mr. GOPAL SHAM DASWANI

Ms. ALMA F. BUNTUA

Members, Executive, Governance and Audit Committees

Engr. AL JOSEPH C. DE GUZMAN, *Chief Operations Officer*

Ms. MARIA MAY P. MILITANTE, *Chief BusDev & PR Officer*

Atty. JOHNSTON R. BRUSOLA, *Corporate Secretary/Chief Legal & Compliance Officer*

Ex-Officio Members, ExeCom

I. CALL TO ORDER

The meeting was called to order and was presided over by the Chairperson of the Executive Committee, Mr. Augusto M. Cosio Jr., at around 9:00 AM.

II. MATTER/S DISCUSSED

A. Agenda and Scheduling of ASM

Atty. Johnston R. Brusola presented to the Board the proposed agenda and the postponement/re-scheduling the date of the Annual Stockholders' Meeting from May 13, 2019 to June 18, 2019. Moving forward, Atty. Brusola requested the Board for the approval of the postponement of the May 13, 2019 Annual Stockholders' Meeting and re-scheduled to June 18, 2019.

The Board noted Management's report and thereafter, approved the re-scheduling of the Annual Stockholders' Meeting from May 13, 2019 to June 18, 2019.

B. Integrated Annual Corporate Governance Report (I-ACGR)

Atty. Johnston R. Brusola presented to the Board the completed Integrated Annual Corporate Governance Report (I-ACGR) for 2018. Atty. Brusola elaborated on the "Non-Compliant" portions of the I-ACGR. Moving forward, Management requested the approval of the Board for the implementation and submission of the 2018 Integrated Annual Corporate Governance Report (I-ACGR).

After thorough discussion on the I-ACGR particularly on the "Non-Compliant" portions, the Board approved the implementation of the 2018 Integrated Annual Corporate Governance Report (I-ACGR) and submit the same to the Securities and Exchange Commission (SEC).

C. 2018 Audited FS Report

Mr. Bernard B. Rabanzo discussed the financial statement submitted and presented by the external auditors (Reyes Tacandong and Co.) last March 14, 2019 with the Board Audit Committee, to wit: (a) Emphasis of a Matter in the Financial Statements, (b) Material Uncertainty Related To Going Concern, (c) Key Audit Matters on the Exploration and Evaluation Assets, (d) key Audit Matters on Real Estate Projects, (e) Significant Audit Matters on the Plan for the Long Outstanding Loans Payable and Accrued Interest and Penalties, (f) Significant Audit Matters on

the Adoption of PFRS 9 Financial Instruments, (g) Summary of Audit Adjustments, and (h) Income Tax Computation.

In addition, Mr. Gopal Sham Daswani, Chairperson of the Audit Committee, informed the Board on some points made by the external auditors, Reyes Tacandong & Co., to state: (a) Settle the loan with FMIC and (b) Request the Bureau of Internal Revenue for term extension on the unused NOLCO.

After the discussion, Management requested the approval from the Board for the release of the Audited Financial Statements as of December 31, 2018.

The Board noted Management's report and thereafter, approved the release of the 2018 Audited Financial Statements.

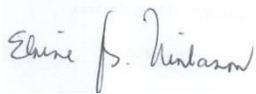
III. OTHER MATTERS

No other matters were discussed during the meeting.

IV. ADJOURNMENT

On motion made and duly seconded, the meeting was adjourned at around 10 A.M.

Prepared by:



ELAINE B. NICOLASORA
Secretariat

Noted by:



ATTY. JOHNSTON R. BRUSOLA
Corporate Secretary