



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

GENERAL INSTRUCTIONS

A. Use of Form I-ACGR

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

B. Preparation of Report

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

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

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

C. Signature and Filing of the Report

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



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **31 December 2023**
2. SEC Identification Number **PW00000216**
3. BIR Tax Identification No. **000-164-009-00000**
4. Exact name of issuer as specified in its charter **MABUHAY VINYL CORPORATION**
5. **Philippines**
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. **22F The Salcedo Towers 169 H.V. Dela Costa St.,
Salcedo Village, Makati City**
Address of principal office Postal Code
8. **(632) 88178971**
Issuer's telephone number, including area code
9. **N/A**
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	The Company's directors are nominated and elected based on their professional experience, expertise, and relevant trainings.	
2. Board has an appropriate mix of competence and expertise.	Compliant	Links / References:	
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	<ol style="list-style-type: none"> 2024 Definitive Information Statement, See pages 7, 18-22: https://www.mvc.com.ph/wp-content/uploads/2024/04/Definitive-Information-Statement-SEC-Form-20-IS-1.pdf New Manual on Corporate Governance, See Item II(2): http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf Amended By-laws, See Articles III and IV: http://www.mvc.com.ph/wp-content/uploads/2023/05/Amended-By-Laws-2022.pdf 	

Recommendation 1.2

1. Board is composed of a majority of non-executive directors.	Compliant	<p>The Company's Board of Directors is composed of seven (7) directors and majority of the members the Board are non-executive directors.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none">1. Y2023 Annual Report (SEC 17-A), See pages 16-20: https://www.mvc.com.ph/wp-content/uploads/2024/04/2023-Annual-Report.pdf2. Results of the Y2023 Annual Stockholders' Meeting and Organizational Meeting: http://www.mvc.com.ph/wp-content/uploads/2023/05/Results-of-Organizational-Meeting-of-Board-of-Directors-2023.pdf	
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Recommendation 1.3

1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	Directors are required to attend a seminar on corporate governance to be conducted by a duly recognized private or government institute. <u>Links / References:</u> 1. New Manual on Corporate Governance , See Item IV, Page 18: http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf	
2. Company has an orientation program for first time directors.	Compliant		
3. Company has relevant annual continuing training for all directors.	Compliant		

Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	<p>The Board is composed of six (6) male directors and one (1) female director. All directors have diverse educational, business and professional backgrounds.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none"> 1. 2024 Definitive Information Statement, See pages 7, 18-22: https://www.mvc.com.ph/wp-content/uploads/2024/04/Definitive-Information-Statement-SEC-Form-20-IS-1.pdf 2. New Manual on Corporate Governance, See Item II(2), (2.1.1.1): http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf 	
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.			

Recommendation 1.5

1. Board is assisted by a Corporate Secretary.	Compliant	<p>The Board of Directors is assisted by its Corporate Secretary, Atty. Maria Melva E. Valdez, who is not a member of the Board of Directors. The professional and academic background of Atty. Valdez is in the 2024 Definitive Information Statement.</p> <p>The duties and responsibilities of the Corporate Secretary are in the By-laws and New Manual on Corporate Governance.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none">1. 2024 Definitive Information Statement, See Annex A, Page 18: https://www.mvc.com.ph/wp-content/uploads/2024/04/Definitive-Information-Statement-SEC-Form-20-IS-1.pdf2. Amended By-laws, See Article V, Section 5: http://www.mvc.com.ph/wp-content/uploads/2023/05/Amended-By-Laws-2022.pdf	
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2. Corporate Secretary is a separate individual from the Compliance Officer.	Non-Compliant		The Corporate Secretary is a lawyer with vast corporate experience who efficiently performs the functions of a Compliance Officer and ably guides the board of directors with its compliances. Additionally, the Company clearly defined the distinct roles of the Corporate Secretary and the Compliance Officer in its New Manual on Corporate Governance.
3. Corporate Secretary is not a member of the Board of Directors.	Compliant	3. New Manual on Corporate Governance , See Item II(B)(1), Item II(2)(2.2): http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf	
4. Corporate Secretary attends training/s on corporate governance.	Compliant	The Corporate Secretary, Atty. Maria Melva Valdez attended a Webinar on Corporate Governance on 11 September 2023 conducted by Center for Global Best Practices.	

Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.			
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	<p>The Board of Directors is assisted by its Compliance Officer, Atty. Maria Melva E. Valdez, who is not a member of the Board of Directors. The professional and academic background of Atty. Valdez is in the 2024 Definitive Information Statement. The duties and responsibilities of the Compliance Officer are detailed in the New Manual on Corporate Governance.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none"> New Manual on Corporate Governance, See Item II(1): http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf Results of the Organizational Meeting: http://www.mvc.com.ph/wp-content/uploads/2023/05/Results-of-Organizational-Meeting-of-Board-of-Directors-2023.pdf 	The current Compliance Officer is a lawyer with a vast corporate experience and is capable of providing the required guidance to the Corporation on its compliance with applicable laws, rules and regulations. Additionally, the Company clearly defined the distinct roles of the Corporate Secretary and the Compliance Officer in its New Manual on Corporate Governance.
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Non-Compliant		
3. Compliance Officer is not a member of the board.	Compliant		

4. Compliance Officer attends training/s on corporate governance.	Compliant	The Corporate Secretary, Atty. Maria Melva Valdez attended a Webinar on Corporate Governance on 11 September 2023 conducted by Center for Global Best Practices.	
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	<p>The members of the Board of Directors are mandated to act in a manner characterized by transparency, accountability, and fairness. Directors are to exercise leadership, prudence, and integrity.</p> <p><u>Links / References:</u></p> <p>1. New Manual on Corporate Governance, See Item II(2),2.1.2: http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf</p>	

Recommendation 2.2

1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	<p>The Board of Directors regularly meets in order to oversee the development of the Company's business, including its objectives and strategies. It is the responsibility of the directors to monitor the implementation of strategies in order to sustain the Company's long term viability and strength.</p> <p><u>Links / References:</u></p> <p>1. New Manual on Corporate Governance, See Item II(2),2.1.3: http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf</p>	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant		

Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	<p>The Company's mission and vision is in its Code of Business Conduct. The same is published in the Company website.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none"> 1. Code of Business Conduct: http://www.mvc.com.ph/wp-content/uploads/2018/03/MVC-Code-of-Business-Conduct.pdf 2. Mission and Vision: http://www.mvc.com.ph/about-us/mission-vision/ 	

<p>2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.</p>	<p>Compliant</p>	<p>The Board of Directors regularly receives reports from relevant executive officers and employees on all relevant aspects of the Company's business and operations. These regular reports assist the Board in ensuring that the Company's business objectives and strategies are implemented and properly monitored.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none"> 1. Code of Business Conduct: http://www.mvc.com.ph/wp-content/uploads/2018/03/MVC-Code-of-Business-Conduct.pdf 2. Mission and Vision: http://www.mvc.com.ph/about-us/mission-vision/ 	
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Recommendation 2.3

1. Board is headed by a competent and qualified Chairperson.	Compliant	<p>The Board of Directors is headed by its Chairman, Mr. Yohei Chikamoto.</p> <p>The duties and responsibilities of the Chairman are detailed in the By-laws and New Manual on Corporate Governance.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none">1. 2024 Definitive Information Statement, See Annex "A", Page 18: https://www.mvc.com.ph/wp-content/uploads/2024/04/Definitive-Information-Statement-SEC-Form-20-IS-1.pdf2. 06/15/2023 Resignation and Election of Board of Director https://www.mvc.com.ph/wp-content/uploads/2023/09/0615-2023-Resignation-and-Election-of-Board-of-Director.pdf3. Amended By-laws, See Article V, Section 2: http://www.mvc.com.ph/wp-content/uploads/2023/05/Amended-By-Laws-2022.pdf	
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		<p>4. New Manual on Corporate Governance, See Item II(B)(1), Item II(2)(2.2): http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf</p>	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	The Nominations Committee screens yearly and shortlists all candidates nominated as members of the Board of Directors.	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant	<p><u>Links / References:</u></p> <p>1. New Manual on Corporate Governance, See Item II(2)(2.1.7.2.1): http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf</p> <p>2. Code of Business Conduct: http://www.mvc.com.ph/wp-content/uploads/2018/03/MVC-Code-of-Business-Conduct.pdf</p>	

Recommendation 2.5

1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	It is Company policy that remuneration of the members of the Board of Directors and its key officers are aligned with the long-term interests of the Company. Their performance is evaluated and reviewed regularly.	
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	<u>Links / References:</u> 1. 2024 Definitive Information Statement , See Pages 10 and 11: https://www.mvc.com.ph/wp-content/uploads/2024/04/Definitive-Information-Statement-SEC-Form-20-IS-1.pdf 2. New Manual on Corporate Governance , See Item II(2)(2.1.3)(ii): http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf	

Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.			
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.			
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	<p>The nomination and election process is in the Company's By-laws and New Manual on Corporate Governance. Prior to the Annual Stockholders' Meeting, all stockholders are notified of voting procedures, rights of shareholders, and the relevant information and qualifications of nominee directors.</p> <p>All nominations are submitted to the Nominations Committee. The Nominations Committee screens and provides a shortlist of candidates nominated to be a member of the Board of Directors. The final list of nominees is included in the Information Statement made available to all stockholders prior to the Annual Stockholders' Meeting.</p>	
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		
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant		
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		

		<p>In performing this function, the Nominations Committee considers the qualifications and disqualifications in the Securities Regulation Code, the Company's Articles of Incorporation, By-laws, and New Manual on Corporate Governance.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none"> 1. New Manual on Corporate Governance, See Item II(2)(2.1.7.2.1): http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf 2. Amended By-Laws, See Section2 and 3, Article III: http://www.mvc.com.ph/wp-content/uploads/2023/05/Amended-By-Laws-2022.pdf 	
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.			

Recommendation 2.7

1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	<p>On 13 November 2019, the Board of Directors approved the Company's Policy on Related Party Transactions, in compliance to SEC Memorandum Circular No. 10-2019.</p> <p><u>Links / References:</u></p> <p>1. Policy on Related Party Transactions: http://www.mvc.com.ph/wp-content/uploads/2019/10/10-24-19-%E2%80%93-Material-Related-Party-Transaction-Policy.pdf</p>	
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<p>2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.</p>	<p>Compliant</p>	<p>The Policy includes the guidelines on the review and approval of related party transactions. It includes guidelines on ensuring arm's length terms in transactions between related parties.</p> <p><u>Links / References:</u></p> <p>1. Policy on Related Party Transactions: http://www.mvc.com.ph/wp-content/uploads/2019/10/10-24-19-%E2%80%93Material-Related-Party-Transaction-Policy.pdf</p>	
<p>3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.</p>	<p>Compliant</p>	<p>2. New Manual on Corporate Governance, See Item II(2)(2.1.3), Page 4: http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf</p>	
<p>Supplement to Recommendations 2.7</p>			

<p>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.</p>	<p>Compliant</p>	<p>The Company's Policy on Related Party Transactions ("RPT") defines who are considered as related parties. It includes a materiality threshold, which is ten percent (10%) of the Company's total consolidated assets based on the latest audited financial statements. Related party transactions are reported to the Executive Committee, for its review and approval. The Audit Committee performs oversight functions. Material related party transactions must be approved by at least two-thirds (2/3) vote of the Board and majority approval by Independent Directors.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none"> 1. New Manual on Corporate Governance, See Item II(2)(2.1.3)(i): http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf 2. Policy on Related Party Transactions: http://www.mvc.com.ph/wp-content/uploads/2019/10/10-24-19-%E2%80%93Material-Related-Party-Transaction-Policy.pdf 	
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<p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p>	<p>Non-Compliant</p>		<p>However, details of related party transactions are properly disclosed in the Notes to the Audited Financial Statements.</p> <p>Additionally, all corporate acts of the Company, including RPTs, are approved by the Board of Directors and ratified by the shareholders during the Annual Stockholders' Meeting.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none"> 1. 2024 Definitive Information Statement, See Part I (D) Other Matters Item 16: https://www.mvc.com.ph/wp-content/uploads/2024/04/Definitive-Information-Statement-SEC-Form-20-IS-1.pdf 2. Policy on Related Party Transactions: http://www.mvc.com.ph/wp-content/uploads/2019/10/10-24-19-%E2%80%93Material-Related-Party-Transaction-Policy.pdf
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Recommendation 2.8

1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	<p>It is the duty and responsibility of the Board of Directors to select competent members of Management. After the Annual Stockholders' Meeting, the Board of Directors immediately held a meeting for organization, pursuant to Article V, Section 1 of the By-laws.</p> <p><u>Links / References:</u></p> <p>1. Results of the Organizational Meeting: http://www.mvc.com.ph/wp-content/uploads/2023/05/Results-of-Organizational-Meeting-of-Board-of-Directors-2023.pdf</p>	
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<p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>Compliant</p>	<p>The Board of Directors has the responsibility to assess its performance and that of its Chairman, Officers, and Committees. The Nominations Committee considers the past performance in the Company when screening nominees for election or appointment.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none"> 1. New Manual on Corporate Governance, See II(2)(2.1.3) and (2.1.4): http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf 	
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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	<p>The Company implements a formal Performance Management System which requires quarterly individual, departmental and entity level assessments.</p> <p><u>Links / References:</u></p> <p>1. New Manual on Corporate Governance, See II(2)(2.1.3) and (2.1.4): http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf</p>	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant		

Recommendation 2.10

1. Board oversees that an appropriate internal control system is in place.	Compliant	The Internal Audit Unit monitors and evaluates the adequacy and effectiveness of the Company's internal control system, integrity of financial reporting, and security of physical and information assets. The Board of Directors and the Executive Committee regularly receives reports from the Internal Audit Unit in order to ensure the effectiveness of the internal control in place.	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	<u>Links / References:</u> 1. Internal Audit Charter http://www.mvc.com.ph/wp-content/uploads/2020/06/Internal-Audit-Charter-signed MVC.pdf 2. New Manual on Corporate Governance , See II(2)(2.1.3),(2.1.7.4): http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf	

3. Board approves the Internal Audit Charter.	Compliant	<p>The Audit Committee Charter, with includes matters related to the Internal Audit Unit, was approved by the Board of Directors in 2012.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none"> 1. Audit Committee Charter: http://www.mvc.com.ph/wp-content/uploads/2018/02/MVC-Audit-Committee-Charter.pdf 2. Internal Audit Charter http://www.mvc.com.ph/wp-content/uploads/2020/06/Internal-Audit-Charter-signed_MVC.pdf 	
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	<p>The Company has a risk assessment procedure in place since 2019 for the identification of risks, conduct of risk assessment and managing those risks within the company's appetite level through the preparation of corresponding preventive action plans.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none"> 1. ERM Procedures Manual http://www.mvc.com.ph/wp-content/uploads/2020/06/MVC-QP-MACO-03-21-04-IDENTIFICATION-AND-ASSESSMENT-OF-EXTERNAL-AND-IN....pdf 	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant		

Recommendation 2.12

1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Non-Compliant		<p>The Amended By-Laws and the New Manual on Corporate Governance defines the duties, responsibilities, and accountabilities of the Board of Directors which serves as guidance for the directors, in the performance of their functions.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none">1. New Manual on Corporate Governance, See : http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf2. Amended By-laws: http://www.mvc.com.ph/wp-content/uploads/2023/05/Amended-By-Laws-2022.pdf
2. Board Charter serves as a guide to the directors in the performance of their functions.	Non-Compliant		
3. Board Charter is publicly available and posted on the company's website.	Non-Compliant		

Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	Compliant	<p>The Code of Business Conduct provides the Company's policy against insider trading.</p> <p><u>Links / References:</u></p> <p>1. Code of Business Conduct: http://www.mvc.com.ph/wp-content/uploads/2018/03/MVC-Code-of-Business-Conduct.pdf</p>	
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.			
2. Company discloses the types of decision requiring board of directors' approval.			
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

<p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	<p>Compliant</p>	<p>The Board of Directors organized the following committees: the Executive Committee, the Nominations Committee, and the Audit Committee. The duties and responsibilities of each committee do not overlap and are in the Company's New Manual on Corporate Governance.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none">1. Amended By-laws, See Article VI: http://www.mvc.com.ph/wp-content/uploads/2023/05/Amended-By-Laws-2022.pdf2. New Manual on Corporate Governance, See II(2)(2.1.7): http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf3. Results of the Organizational Meeting: http://www.mvc.com.ph/wp-content/uploads/2023/05/Results-of-Organizational-Meeting-of-Board-of-Directors-2023.pdf4. Code of Business Conduct: http://www.mvc.com.ph/wp-content/uploads/2018/03/MVC-Code-of-Business-Conduct.pdf	
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Recommendation 3.2

<p>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.</p>	<p>Compliant</p>	<p>It is the Audit Committee's duty to assist the Board of Directors in the performance of its oversight responsibility for financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules, and regulations.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none">1. 2024 Definitive Information Statement, See Part I(B)Item 7 (c), page 12: http://www.mvc.com.ph/wp-content/uploads/2023/05/Definitive-Information-Statement-SEC-Form-20-IS.pdf2. New Manual on Corporate Governance, See II(2)(2.1.7.4): http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf3. Audit Committee Charter: http://www.mvc.com.ph/wp-content/uploads/2018/02/MVC-Audit-Committee-Charter.pdf	
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<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	<p>Non-Compliant</p>		<p>The Board has only two (2) independent directors. The Audit Committee is composed of four (4) qualified members, two (2) of which are independent directors. The Chairman is an independent director.</p> <p>The Audit Committee is composed of the following members:</p> <p>Mr. Ramon J. Abejuela <i>(Independent Director)</i></p> <p>Mr. Francisco J. Kong <i>(Independent Director)</i></p> <p>Mr. Yohei Chikamoto*</p> <p>Atty. Barbara Anne C. Migallos</p> <p>Mr. Takahiro Machiba**</p> <p><small>* Elected as Director June 23, 2023</small></p> <p><small>** Resigned as Director June 23, 2023</small></p> <p><u>Links / References:</u></p> <ol style="list-style-type: none"> 2024 Definitive Information Statement, See Annex "A" and Part I(B)Item 7 (c): https://www.mvc.com.ph/wp-content/uploads/2024/04/Definitive-Information-Statement-SEC-Form-20-IS-1.pdf Audit Committee Charter: http://www.mvc.com.ph/wp-content/uploads/2018/02/MVC-Audit-Committee-Charter.pdf Results of the Organizational Meeting: http://www.mvc.com.ph/wp-content/uploads/2023/05/Results-of-Organizational-Meeting-of-Board-of-Directors-2023.pdf 06/15/2023 Resignation and Election of Board of Director: https://www.mvc.com.ph/wp-content/uploads/2023/09/06152023-Resignation-and-Election-of-Board-of-Director.pdf
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<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	<p>Compliant</p>	<p>In the organizing the members of the Audit Committee, the members' knowledge, skills, and experience were duly considered.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none"> 1. 2024 Definitive Information Statement, See Annex "A" and Part I(B) (Item 7) (c): https://www.mvc.com.ph/wp-content/uploads/2024/04/Definitive-Information-Statement-SEC-Form-20-IS-1.pdf 2. Audit Committee Charter: http://www.mvc.com.ph/wp-content/uploads/2018/02/MVC-Audit-Committee-Charter.pdf 3. Results of the Organizational Meeting: http://www.mvc.com.ph/wp-content/uploads/2023/05/Results-of-Organizational-Meeting-of-Board-of-Directors-2023.pdf 	
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<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	<p>Compliant</p>	<p>Mr. Ramon J. Abejuela, the Chairman of the Audit Committee, is an Independent Director and not the Chairman of the Board or any other committee.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none"> 1. Audit Committee Charter: http://www.mvc.com.ph/wp-content/uploads/2018/02/MVC-Audit-Committee-Charter.pdf 2. Results of the Organizational Meeting: http://www.mvc.com.ph/wp-content/uploads/2023/05/Results-of-Organizational-Meeting-of-Board-of-Directors-2023.pdf 	
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Supplement to Recommendation 3.2

1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	<p>The Audit Committee has the duty to evaluate the work of the Company's External Auditor, including non-audit work, if any.</p> <p><u>Links / References:</u></p> <p>1. Audit Committee Charter: http://www.mvc.com.ph/wp-content/uploads/2018/02/MV-C-Audit-Committee-Charter.pdf</p>	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	<p>The Audit Committee regularly meets with the Company's External Auditor, SGV & Co as re-appointed on April 27, 2023.</p> <p><u>Links / References:</u></p> <p>1. Audit Committee Charter: http://www.mvc.com.ph/wp-content/uploads/2018/02/MV-C-Audit-Committee-Charter.pdf</p>	

Optional: Recommendation 3.2

1. Audit Committee meet at least four times during the year.	Compliant	<u>Links / References:</u> 1. Audit Committee Charter: http://www.mvc.com.ph/wp-content/uploads/2018/02/MVC-Audit-Committee-Charter.pdf	
2. Audit Committee approves the appointment and removal of the internal auditor.	Compliant	<u>Links / References:</u> 1. Audit Committee Charter: http://www.mvc.com.ph/wp-content/uploads/2018/02/MVC-Audit-Committee-Charter.pdf	

Recommendation 3.3

1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Non-Compliant		<p>The Board of Directors is assisted on responsibilities related to good corporate governance by the Executive Committee, Nominations Committee, and the Audit Committee. Additionally, the Compliance Officer assists the Board in ensuring compliance with relevant laws, regulations, and Company policies.</p> <p>Considering the size and operations of the Company, distribution among different committees the responsibilities related to good corporate governance sufficiently address the concerns of the Company</p> <p><u>Links / References:</u></p> <p>1. New Manual on Corporate Governance: http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf</p>
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Non-Compliant		
3. Chairman of the Corporate Governance Committee is an independent director.	Non-Compliant		

Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.			
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Non-Compliant		The Audit Committee, as assisted by the Internal Audit Department, provides oversight over Management's activities in managing risks.
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Non-Compliant		Considering the size, risk profile, and complexity of operations, the Audit Committee, with the assistance of the Internal Audit Unit, ensures that there is an effective and integrated risk management in place.
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Non-Compliant		
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Non-Compliant		
			<u>Links / References:</u> 1. New Manual on Corporate Governance: http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf

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	<u>Links / References:</u> 1. New Manual on Corporate Governance: http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf 2. Policy on Related Party Transactions http://www.mvc.com.ph/wp-content/uploads/2019/10/10-24-19-%E2%80%93Material-Related-Party-Transaction-Policy.pdf	The Board of Directors have overall responsibility in ensuring that all related party transactions (RPTs) are reviewed, approved and disclosed in accordance with Company's Material Related Party Transactions Policy. The Audit Committee performs oversight functions. Considering the Company's size, risk profile, and complexity of operations, the Board of Directors and the Audit Committee can ensure that the policy on related party transactions are duly executed.
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Non-Compliant		
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.	Non-Compliant		The Company's New Manual on Corporate Governance clearly defines the roles and accountabilities of each committee. There is no overlapping of functions and the Board of Directors effectively discharges its duties and responsibilities. <u>Links / References:</u> 1. New Manual on Corporate Governance: http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf
2. Committee Charters provide standards for evaluating the performance of the Committees.	Non-Compliant		
3. Committee Charters were fully disclosed on the company's website.	Non-Compliant		

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

<p>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.</p>	<p>Compliant</p>	<p>It is the duty of each director to devote time and attention necessary to properly discharge his duties and responsibilities.</p> <p>In the event that a director intends to attend and participate in a meeting through tele-/videoconferencing, the Company applies the guidelines consistent with SEC Memorandum Circular No. 15-2001 and SEC MC 6, series of 2020 or the Guidelines on the Attendance and Participation of Directors, Trustees, Stockholders, Members, and Other Persons of Corporations in Regular and Special Meetings Through Teleconferencing, Video Conferencing and Other Remote or Electronic Means of Communication.</p> <p><u>Links / References:</u></p> <p>1. New Manual on Corporate Governance, See II(2)(2.1.3):</p> <p>http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf</p>	
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		<div>2. Attendance of the Members of the Board of Directors</div> <div>3. 2024 Definitive Information Statement, See Page 40: https://www.mvc.com.ph/wp-content/uploads/2024/04/Definitive-Information-Statement-SEC-Form-20-IS-1.pdf</div>	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	Directors and Committee members are provided in advance a copy of the materials to be used in an upcoming meeting. This provides Directors sufficient time to review the materials. During the meeting, Directors can raise their questions or seek clarifications and explanations.	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant		
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	<div>None of the directors concurrently serve in a maximum of five publicly-listed companies.</div> <div>Links / References:</div> <div>1. 2024 Definitive Information Statement, See Annex "A": https://www.mvc.com.ph/wp-content/uploads/2024/04/Definitive-Information-Statement-SEC-Form-20-IS-1.pdf</div>	

Recommendation 4.3

1. The directors notify the company's board before accepting a directorship in another company.	Compliant	Directors are required yearly to update their profiles and to indicate if there is any change in directorships in other reporting companies. <u>Links / References:</u> 1. 2024 Definitive Information Statement , See Annex "A": https://www.mvc.com.ph/wp-content/uploads/2024/04/Definitive-Information-Statement-SEC-Form-20-IS-1.pdf	
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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.			
4. Company requires as minimum quorum of at least 2/3 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		The Company complies with the required number of independent directors prescribed by the Securities Regulation Code. The active participation by the independent directors ensures that the Board of Directors exercise independent judgement on corporate affairs and proper oversight of managerial performance.

Recommendation 5.2

1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	<p>The Nominations Committee screened the qualifications of the independent directors before they were elected at the Annual Stockholders' Meeting.</p> <p>The Certificates of Qualification of each Independent Director was uploaded on the Company's website.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none">1. 2024 Definitive Information Statement, See Annex "A" and Certificates of Qualification: https://www.mvc.com.ph/wp-content/uploads/2024/04/Definitive-Information-Statement-SEC-Form-20-IS-1.pdf2. New Manual on Corporate Governance, See Item II(2)(2.1.7.2.1): http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf	
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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	<p>It is Company policy that independent views of members of the Board of Directors be given due consideration. No arrangement between the Company and its directors constrain the ability of directors to vote independently.</p> <p><u>Links / References:</u></p> <p>1. 2024 Definitive Information Statement, See Part I(B): https://www.mvc.com.ph/wp-content/uploads/2024/04/Definitive-Information-Statement-SEC-Form-20-IS-1.pdf</p>	
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	<p>The Independent Directors are as follows: Mr. Ramon J. Abejuela Mr. Francisco J. Kong</p> <p><u>Links / References:</u></p> <p>1. Results of the Organizational Meeting: http://www.mvc.com.ph/wp-content/uploads/2023/05/Results-of-Organizational-Meeting-of-Board-of-Directors-2023.pdf</p>	

2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant		
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	<p><u>Links / References:</u></p> <ol style="list-style-type: none"> 1. New Manual on Corporate Governance, See Item II(2)(2.1.7.2.1): http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf 2. 2024 Definitive Information Statement, See Annex "A" and Certificates of Qualification: https://www.mvc.com.ph/wp-content/uploads/2024/04/Definitive-Information-Statement-SEC-Form-20-IS-1.pdf 2. Results of the Organizational Meeting: http://www.mvc.com.ph/wp-content/uploads/2023/05/Results-of-Organizational-Meeting-of-Board-of-Directors-2023.pdf 	

Recommendation 5.4

1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Non-Compliant		<p>Chairman/CEO - Yohei Chikamoto President/COO - Steve S.C. Pangilinan</p> <p>The CEO of the Company is also the Chairman of the Board of Directors. The Executive, Audit, Nominations Committees ensure adequate checks and balances in the Company's corporate governance structure.</p> <p>The COO directly manages the business operations of the Company and manages the day-to-day business affairs of the corporation; represents company in all transactions with the government/ other entities.</p> <p>The CEO merely has oversight functions on the COO's duties.</p>
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2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	<p>The duties and responsibilities of the Chairman are mostly to facilitate the discussions of the Board. As Chief Executive Officer, he has duties and responsibilities related mostly to the strategic direction and management of operations.</p> <p><u>Links / References:</u></p> <p>1. Amended By-Laws, See Sections 2,3,4, Article V: http://www.mvc.com.ph/wp-content/uploads/2023/05/Amended-By-Laws-2022.pdf</p>	
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Non-Compliant		The independent directors are independent-minded individuals and actively participates during board meetings.

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	In 2023, no director had any material interest in a transaction affecting the Company. As such, no director abstained from taking part of deliberations. <u>Links / References:</u> 1. New Manual on Corporate Governance , See Item II(2)(2.1.2): http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf	
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	All directors collectively and individually have free access to and communication with the internal and external auditors, compliance officer, and other committees for any clarification they would wish to raise with them. All directors meet regularly and may raise any concern.	
2. The meetings are chaired by the lead independent director.	Compliant		
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.			

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	<p>The Nominations Committee considers the performance of each director in the previous year when it shortlists the nominees for election to the Board of Directors.</p> <p><u>Links / References:</u></p> <p>1. New Manual on Corporate Governance, See Item II(2)(2.1.4): http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf</p>	
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		

<p>5. Every three years, the assessments are supported by an external facilitator.</p>	<p>Compliant</p>	<p>It is Company policy that assessments are to be supported by an external facilitator every three years. In 2023, an external facilitator did not conduct assessments. The Company, however, will identify in the future when to conduct an assessment with an external facilitator.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none"> 1. New Manual on Corporate Governance, See Item II(2)(2.1.4): http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf 	
Recommendation 6.2			
<p>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.</p>	<p>Compliant</p>	<p><u>Links / References:</u></p> <ol style="list-style-type: none"> 1. New Manual on Corporate Governance, See Item II(B)(2)(2.1.4): http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf 	

<p>2. The system allows for a feedback mechanism from the shareholders.</p>	<p>Compliant</p>	<p>The Company recognizes the rights of all stockholders. Stockholder rights are discussed in Item VI of the New Manual on Corporate Governance.</p> <p>For any concerns, contact details are available on the Company website.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none"> 1. Company website: http://www.mvc.com.ph/ 2. New Manual on Corporate Governance, See Item VI: http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf 	
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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	The Code of Business Conduct is available for download and access on the Company website. Directors, executive officers, and employees have access to the Code of Business Conduct.	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	<u>Links / References:</u> 1. Code of Business Conduct: http://www.mvc.com.ph/wp-content/uploads/2018/03/MVC-Code-of-Business-Conduct.pdf	
3. The Code is disclosed and made available to the public through the company website.	Compliant		

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	The Company takes a stand against corrupt practices, such as, but not limited to, bribery, fraud, extortion, collusion, conflict of interest, and money laundering. <u>Links / References:</u> 1. Code of Business Conduct: http://www.mvc.com.ph/wp-content/uploads/2018/03/MVC-Code-of-Business-Conduct.pdf	
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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>The Directors, Officers and Employees of MVC are all required to comply with the Company's Code of Business Conduct.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none"> 1. Code of Business Conduct: http://www.mvc.com.ph/wp-content/uploads/2018/03/MVC-Code-of-Business-Conduct.pdf 2. Guidelines on Internal Reporting System: http://www.mvc.com.ph/wp-content/uploads/2017/07/IRS-Regulations-rev.01-11.15.2017.pdf 	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant		

Disclosure and Transparency

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

Recommendation 8.1

<p>1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.</p>	<p>Compliant</p>	<p>The Company complies with disclosure requirements of the Securities Exchange Commission, the Philippine Stock Exchange, and other government agencies and regulators. All disclosures are made in a fair, timely, and accurate manner.</p> <p><u>Links / References:</u></p> <p>1. New Manual on Corporate Governance, See Item V: http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf</p>	
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Supplement to Recommendations 8.1

<p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.</p>	<p>Compliant</p>	<p>Annual Report (SEC 17-A) was filed 15 April 2024* or 105 days from the end of the reporting period as required by the SEC.</p> <p>The quarterly reports (SEC 17-Q) were filed within 45 days from the end of the reporting period on the following dates:</p> <ul style="list-style-type: none"> i. Q1 of 2023 – 15 May 2023 ii. Q2 of 2023 – 14 August 2023 iii. Q3 of 2023 – 14 November 2023 <p><u>Links / References:</u></p> <ul style="list-style-type: none"> 1. 2024 Definitive Information Statement: https://www.mvc.com.ph/wp-content/uploads/2024/04/Definitive-Information-Statement-SEC-Form-20-IS-1.pdf 2. Annual Report (SEC 17-A): http://www.mvc.com.ph/wp-content/uploads/2024/04/2023-Annual-Report.pdf 3. Quarterly Reports (SEC 17-Q): http://www.mvc.com.ph/disclosure_category/sec-form-17-q-quarterly-report/ <p><small>*Filed the following business day as extended by SEC since the deadline falls on a week end.</small></p>	
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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><u>Links / References:</u></p> <p>1. Annual Report (SEC 17-A), See Pages 9, 22-23: http://www.mvc.com.ph/wp-content/uploads/2024/04/2023-Annual-Report.pdf</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>The Company has a policy against insider trading. Additionally, directors and officers are required to notify the Corporate Secretary in the event of any changes in their shareholdings in the Company.</p> <p><u>Links / References:</u></p> <p>1. New Manual on Corporate Governance, See Item V(4): http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf</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		

Supplement to Recommendation 8.2

<p>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).</p>	<p>Compliant</p>	<p>The Company discloses monthly its Public Ownership Reports. The Corporate Secretary regularly discloses to the PSE and SEC the shareholdings of directors, management, and the top 100 shareholders.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none">1. Public Ownership Report: http://www.mvc.com.ph/wp-content/uploads/2024/01/Public-Ownership-Report-as-of-Dec.31-2023.pdf2. Top 100 Shareholders: http://www.mvc.com.ph/wp-content/uploads/2024/01/Top-100-Stockholders-as-of-December-31-2023.pdf	
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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	<p>Profiles of directors and key executives are included in the Information Statement and Annual Report. Profiles include their experience and qualifications.</p> <p><u>Links / References:</u></p> <p>1. 2024 Definitive Information Statement, See Annex "A": https://www.mvc.com.ph/wp-content/uploads/2024/04/Definitive-Information-Statement-SEC-Form-20-IS-1.pdf</p>	
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	<p><u>Links / References:</u></p> <p>1. 2024 Definitive Information Statement, See Annex "A": https://www.mvc.com.ph/wp-content/uploads/2024/04/Definitive-Information-Statement-SEC-Form-20-IS-1.pdf</p>	

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	The New Manual on Corporate Governance and the Information Statement provide the policies and procedure on setting Board Remuneration.	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	<p><u>Links / References:</u></p> <ol style="list-style-type: none"> 2024 Definitive Information Statement: https://www.mvc.com.ph/wp-content/uploads/2024/04/Definitive-Information-Statement-SEC-Form-20-IS-1.pdf New Manual on Corporate Governance, See Item II(2)(2.1.6.3): http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf 	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	<p><u>Links / References:</u></p> <ol style="list-style-type: none"> Y2023 Annual Report (SEC 17-A), See Pages 21 and 22: https://www.mvc.com.ph/wp-content/uploads/2024/04/2023-Annual-Report.pdf 	

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>It is Company policy that material related party transactions are not to be undertaken on more favorable economic terms than similar transactions with non-related parties under similar circumstances.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none">1. New Manual on Corporate Governance, See Item II(2)(2.1.3), page 4: http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf2. Policy on Related Party Transactions http://www.mvc.com.ph/wp-content/uploads/2019/10/10-24-19-%E2%80%93-Material-Related-Party-Transaction-Policy.pdf	
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<p>2. Company discloses material or significant RPTs reviewed and approved during the year.</p>	<p>Compliant</p>	<p>Information on related party transactions are disclosed in the Audited Financial Report and Annual Report. Advisement report/s is/are made, as needed.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none"> 1. Y2023 Annual Report (SEC 17-A), See Pages 24 and 28: https://www.mvc.com.ph/wp-content/uploads/2024/04/2023-Annual-Report.pdf 2. Y2023 Audited Financial Statement, See Note 22 – Related Party Transactions: http://www.mvc.com.ph/wp-content/uploads/2024/04/2023-Annual-Report.pdf 	
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Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	<p>Directors, officers, and employees are required to disclose any interest in transactions involving the Company or any other conflict of interest. Any material transaction or relation that would result in actual or potential conflict of interest must be duly disclosed.</p> <p><u>Links / References:</u></p> <p>1. New Manual on Corporate Governance, See Item II(2)(2.1.2): http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf</p>	
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.			

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	<p>The Company complies with the disclosure requirements of the SEC and PSE.</p> <p>The Company, however, has not acquired nor disposed any significant assets in 2023.</p>	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant	There were no significant assets acquired nor disposed during the year.	
Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Compliant	<p>In 2023, there were no shareholders agreements, voting trust agreements, and any other agreements executed that had an impact on the control, ownership, and strategic direction of the Company.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none"> Y2023 Annual Report (SEC 17-A), See Part IV(C)(4), Page 23: https://www.mvc.com.ph/wp-content/uploads/2024/04/2023-Annual-Report.pdf 	

Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	The Company's Corporate Governance policies and programs are in its New Manual on Corporate Governance which was submitted to the SEC and PSE and also posted in Company website. <u>Links / References:</u> 1. New Manual on Corporate Governance: http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf	
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	Copy of the New Manual on Corporate Governance with SEC Stamp and the PSE Disclosure Form dated 31 May 2017. No amendment to the New Manual on Corporate Governance was made in 2023.	

Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:		Links / References: 1. Y2023 Annual Report (SEC 17-A): https://www.mvc.com.ph/wp-content/uploads/2024/04/2023-Annual-Report.pdf a. Key Performance Indicators, Pages 11-12; b. Management's Discussion and Analysis, Page 10; c. Dividend Declared, if any, Page 10; d. Directors and Executive Officers, Pages 16-20, Part IV (A); e. Compensation of Directors and Executive Officers, Pages 21-22, Part IV (B).	
a. Corporate Objectives	Compliant		
b. Financial performance indicators	Compliant		
c. Non-financial performance indicators	Compliant		
d. Dividend Policy	Compliant		
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant		
f. Attendance details of each director in all directors meetings held during the year	Non-Compliant		Attendance Sheet of the Board of Directors ; Attendance details of each director available in DIS.
g. Total remuneration of each member of the board of directors	Compliant		

<p>2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.</p>	<p>Compliant</p>	<p>The Annual Report discusses the Company's compliance with the Code of Corporate Governance.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none"> 1. Y2023 Annual Report (SEC 17-A),: https://www.mvc.com.ph/wp-content/uploads/2024/04/2023-Annual-Report.pdf 2. New Manual on Corporate Governance, See Part V, Pages 22-23 : http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf 	
<p>3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.</p>	<p>Compliant</p>	<p><u>Links / References:</u></p> <ol style="list-style-type: none"> 1. Y2023 Annual Report (SEC 17-A),: https://www.mvc.com.ph/wp-content/uploads/2024/04/2023-Annual-Report.pdf 2. New Manual on Corporate Governance, See Part V, Pages 21-22, Item II(2)(2.1.7.4): http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf 	

<p>4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.</p>	<p>Compliant</p>	<p><u>Links / References:</u></p> <ol style="list-style-type: none"> 1. Y2023 Annual Report (SEC 17-A), Part V, Pages 24-26: https://www.mvc.com.ph/wp-content/uploads/2024/04/2023-Annual-Report.pdf 2. New Manual on Corporate Governance, See Item II(2)(2.1.7.4): http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf 	
<p>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).</p>	<p>Compliant</p>	<p><u>Links / References:</u></p> <ol style="list-style-type: none"> 1. Y2023 Annual Report (SEC 17-A), See Part I(A), Pages 4 - 5: https://www.mvc.com.ph/wp-content/uploads/2024/04/2023-Annual-Report.pdf 	

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>The appointment, reappointment, removal, and fees of External Auditors are reviewed, approved, and monitored by the Audit Committee.</p> <p><u>Links / References:</u></p> <p>3. Audit Committee Charter: http://www.mvc.com.ph/wp-content/uploads/2018/02/MVC-Audit-Committee-Charter.pdf</p>	
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<p>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.</p>	<p>Compliant</p>	<p>Stockholders in attendance of the 2023 Annual Stockholder's Meeting approved the appointment of the external auditor.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none"> 1. Audit Committee Charter: http://www.mvc.com.ph/wp-content/uploads/2018/02/MVC-Audit-Committee-Charter.pdf 2. Minutes of the Annual Stockholders' Meeting: http://www.mvc.com.ph/wp-content/uploads/2024/04/ASM-Minutes-of-Meeting-27-April-2023-1.pdf 	
<p>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.</p>	<p>Compliant</p>	<p>In 2023, the External Auditor was not removed nor changed.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none"> 1. Audit Committee Charter: http://www.mvc.com.ph/wp-content/uploads/2018/02/MVC-Audit-Committee-Charter.pdf 	

Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	<p>It is Company policy that the External Auditor or the handling partner shall be rotated or changed every five (5) years or earlier.</p> <p><u>Links / References:</u></p> <p>1. Y2023 Annual Report (SEC 17-A), See Part III (B) Information on Independent Accountant and Other Related Matters (page 15): https://www.mvc.com.ph/wp-content/uploads/2024/04/2023-Annual-Report.pdf</p>	
Recommendation 9.2			
<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <p>i. assessing the integrity and independence of external auditors;</p> <p>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</p> <p>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</p>	Compliant	<p>The Audit Committee Charter is available for download on the Company website.</p> <p><u>Links / References:</u></p> <p>1. Audit Committee Charter, See Pages 5-6: http://www.mvc.com.ph/wp-content/uploads/2018/02/MVC-Audit-Committee-Charter.pdf</p>	

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	<u>Links / References:</u> 1. Audit Committee Charter , See Pages 5-6: http://www.mvc.com.ph/wp-content/uploads/2018/02/MV-C-Audit-Committee-Charter.pdf	
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	<u>Links / References:</u> 1. Audit Committee Charter , See Pages 5-6: http://www.mvc.com.ph/wp-content/uploads/2018/02/MV-C-Audit-Committee-Charter.pdf	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant		
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	<u>Links / References:</u> 1. Y2023 Annual Report (SEC 17-A) , See Part III (B) Information on Independent Accountant and Other Related Matters (page 15): https://www.mvc.com.ph/wp-content/uploads/2024/04/2023-Annual-Report.pdf	

<p>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.</p>	<p>Compliant</p>	<p>The Audit Committee monitors any potential conflict of interest, as part of its oversight functions.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none"> 1. Y2023 Annual Report (SEC 17-A), See Part III (B) Information on Independent Accountant and Other Related Matters (page 15): https://www.mvc.com.ph/wp-content/uploads/2024/04/2023-Annual-Report.pdf 	
Supplement to Recommendation 9.3			
<p>1. Fees paid for non-audit services do not outweigh the fees paid for audit services.</p>	<p>Compliant</p>	<p><u>Links / References:</u></p> <ol style="list-style-type: none"> 1. Y2023 Annual Report (SEC 17-A), See Part III (B) Information on Independent Accountant and Other Related Matters (page 15): https://www.mvc.com.ph/wp-content/uploads/2024/04/2023-Annual-Report.pdf 	

Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	<p>The following are the relevant information on the Company's External Auditor:</p> <p>Manolito R. Elle SEC Accreditation No. (indl) 106471-SEC (Group A) Valid to cover audit of 2022 to 2026</p> <p>Sycip Gorres Velayo & Co. 6760 Ayala Avenue, 1226 Makati City 8891-0307</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>Information from SGV relative to SOAR:</p> <ol style="list-style-type: none"> 1. August 1 to 12, 2022 2. SGV & Co. 3. The names of the members of the engagement team were provided to the SEC during the SOAR inspection. 	

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	<p>Company website includes disclosures on non-financial information such as our advocacies and the different programs and initiatives undertaken that highlights the Company's corporate social responsibility.</p> <p><u>Links / References:</u></p> <p>1. Corporate Social Responsibility http://www.mvc.com.ph/corporate-governance/ http://www.mvc.com.ph/news-and-events/</p> <p>2. 2023 Sustainability Report https://www.mvc.com.ph/wp-content/uploads/2024/04/2023-Sustainability-Report.pdf</p>	
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<p>2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.</p>	<p>Compliant</p>	<p>MVC's approach to sustainable development is rooted in our core value of social responsibility and is taken into consideration as we work to grow the business without jeopardizing the growth and welfare of future generations.</p> <p>Our framework for sustainable development combines aspects of environmental protection, general health and safety, harmonious community relations and employee development in order to maintain sustainability in our operations.</p> <p>We take pride in protecting the environment and conserving resources as an essential part of manufacturing and business processes. As such, we have an ISO14001 certified Environment Management System (EMS) in our production facilities that is communicated, implemented and improved on a regular basis.</p> <p>MVC also continues to affirm its commitment to support initiatives of the UN Global Compact. As one of the pioneer signatories in the Philippines, MVC confirms its adherence to the UN GCI principles.</p>	
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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.	Non-Compliant		The Company disseminates and discloses material and relevant information through its website and disclosures to PSE and SEC. Annual Stockholders' Meeting notice was published in two newspapers of general circulation via print and online formats following SEC guidelines on ASM materials distribution. News and company events are also posted in https://www.mvc.com.ph/news-and-events/ .
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Supplemental to Principle 11

1. Company has a website disclosing up-to-date information on the following:	Compliant	<p>The Company disseminates and discloses material and relevant information through its website: www.mvc.com.ph</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none"> Amended Articles of Incorporation: https://www.mvc.com.ph/wp-content/uploads/2024/05/Amended-Articles-of-Incorporation-2023.pdf Amended By-laws: http://www.mvc.com.ph/wp-content/uploads/2023/05/Amended-By-Laws-2022.pdf 	
a. Financial statements/reports (latest quarterly)	Compliant		
b. Materials provided in briefings to analysts and media	Compliant		
c. Downloadable annual report	Compliant		
d. Notice of ASM and/or SSM	Compliant		
e. Minutes of ASM and/or SSM	Compliant		
f. Company's Articles of Incorporation and By-Laws	Compliant		

Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	Compliant	The Company complies with the SEC-prescribed website template: www.mvc.com.ph	
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>The policies are set by the Board. However, Management is primarily responsible for the design, implementation and maintenance of the internal control system of the Company. The Board, through its audit committee oversees the actions of Management and monitors the effectiveness of the internal control system in place. Recommendations are provided by Management, the Board, and/or the internal Audit Department, to address certain issues and concerns of the Company.</p> <p>The Internal Audit department provides independent and objective review of operational, administrative and other controls designed to add value and improve operations; evaluate and improve the effectiveness of internal controls, company processes and risk management.</p>	

2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	The Company has a risk assessment procedure for the identification of risks, conduct of risk assessment and managing those risks within the company's appetite level through the preparation of corresponding preventive action plans. Risks and controls identified are evaluated semi-annually.	
Supplement to Recommendations 12.1			
1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	Compliant	The Company has a risk assessment procedure for the identification of risks, conduct of risk assessment and managing those risks within the company's appetite level through the preparation of corresponding preventive action plans. Risks and controls identified are evaluated semi-annually.	
Optional: Recommendation 12.1			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.			

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	The Company has an in-house Internal Audit department that provides independent and objective review of operational, administrative and other controls designed to add value and improve operations; evaluate and improve the effectiveness of internal controls, company processes and risk management.	
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Recommendation 12.3

1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Non-compliant		<p>The Company's Internal Audit Department is comprised of an Internal Audit Head and two (2) Internal Auditors who are currently performing the duties and responsibilities of the Chief Audit Executive as summarized on the Internal Audit Chapter.</p> <p>The Internal Auditors reports directly to the Audit Committee.</p>
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	Non-compliant		<p>The Board establishes an Audit Committee to assist in the performance of its oversight responsibility the company's financial reporting, internal control system, compliance with applicable laws and regulations, and also internal and external audit processes.</p>

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.	Non-compliant		<p>The Company's Internal Audit Department is comprised of an Internal Audit Head and two (2) Internal Auditors who are currently performing the duties and responsibilities of the Chief Audit Executive as summarized on the Internal Audit Chapter.</p> <p>The Internal Auditors reports directly to the Audit Committee.</p>
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	The Company has a risk assessment procedure for the identification of risks, conduct of risk assessment and managing those risks within the company's appetite level through the preparation of corresponding preventive action plans.	
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	Compliant	<p>The Enterprise Risk Management (ERM) framework of the Company is currently existing and in place.</p> <p>The duties and responsibilities of a BROCC are performed by the Company's Audit Committee.</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).	Non-compliant		Although there is no designation of CRO in the organizational structure of the Company, the Company's Compliance Officer oversees risk management in coordination with the BOD, Committees and Management.

2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Non-Compliant		Although there is no designation of CRO in the organizational structure of the Company, the Company's Compliance Officer oversees risk management in coordination with the BOD, Committees and Management.
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.	Non-Compliant		Audit Committee conducts quarterly meeting to review of the internal controls and ensure sound internal audit control and compliance system is in place.
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	The New Manual on Corporate Governance summarizes the basic shareholder rights. <u>Links / References:</u> 1. New Manual on Corporate Governance , See Item VI: http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant		

Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	Compliant	<p>Stockholders' right to vote is discussed in the Information Statement, New Manual on Corporate Governance, and Amended By-laws.</p> <p>Links / References:</p>	
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>1. 2024 Definitive Information Statement, See Part I (B), Item (4)(c), page 4: https://www.mvc.com.ph/wp-content/uploads/2024/04/Definitive-Information-Statement-SEC-Form-20-IS-1.pdf</p> <p>2. New Manual on Corporate Governance, See Item VI: http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf</p> <p>3. Amended By-laws, See Section 7, Article II: http://www.mvc.com.ph/wp-content/uploads/2023/05/Amended-By-Laws-2022.pdf</p>	
3. Board has an effective, secure, and efficient voting system.	Compliant		

<p>4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.</p>	<p>Non-Compliant</p>		<p>The rights of the minority are protected under the New Manual on Corporate Governance under Item VI (1.1)</p> <p>Every stockholder at every stockholders' meeting shall be entitled to one vote for each share registered in the books of the Company. In the case of election of directors, every stockholder shall be entitled to cast his vote in accordance with the provisions of the Corporation Code.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none"> 1. New Manual on Corporate Governance, See Item VI (1.1): http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf
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<p>5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.</p>	<p>Compliant</p>	<p>Any proposal to call a special stockholders' meeting or to include an agenda item may be submitted in writing to the Board of Directors or the Corporate Secretary and will be presented for consideration at the following meeting of the Board of Directors.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none"> 1. New Manual on Corporate Governance, See Item VI(1.1): http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf 	
<p>6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.</p>	<p>Compliant</p>	<p>The New Manual on Corporate Governance recognizes the rights of minority shareholders.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none"> 1. New Manual on Corporate Governance, See Article VI: http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf 	

7. Company has a transparent and specific dividend policy.	Compliant	<p>Last 27 April 2023, the Board declared cash dividends of P0.10 per share (10%) for stockholders on record as of 26 May 2023 payable on 19 June 2023.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none"> 1. New Manual on Corporate Governance, See Article VI: http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf 	
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.			
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Non-Compliant		The Company sends out the materials within the time frame provided by Company By-laws and SEC regulations on alternative modes of ASM materials distribution.

Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Compliant	The Information Statement is available for download on the Company website.	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant	<u>Links / References:</u> 1. 2024 Definitive Information Statement , See : https://www.mvc.com.ph/wp-content/uploads/2024/04/Definitive-Information-Statement-SEC-Form-20-IS-1.pdf	
b. Auditors seeking appointment/re-appointment	Compliant		
c. Proxy documents	Compliant	A sample proxy form is attached to the Notice of ASM and Y2024 Definitive Information Statement (SEC 20-IS) distributed to stockholders of record.	
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting			
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	The results of the Annual Stockholders' Meeting and Organizational Meeting was immediately disclosed to the PSE and SEC. On the next working day, results were publicly available on the PSE Edge.	

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.	Non-Compliant		The minutes are formally reviewed and approved by the stockholders during the following annual stockholders' meeting. Prior to the next annual stockholders meeting, copies of the draft minutes are made available to stockholder for their perusal.
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	Representatives of the External Auditor were present during the ASM.	
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	<p>The Company accepts feedback, complaints, and queries from stockholders. Contact details of the Company are available on the Company website.</p> <p><u>Links / References:</u></p> <p>1. New Manual on Corporate Governance, See Item II(2)(2.1.3): http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf</p>	

2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	<p>The Company accepts feedback, complaints, and queries from stockholders. Contact details of the Company are available on the Company website.</p> <p><u>Links / References:</u></p> <p>1. New Manual on Corporate Governance, See Item II(2)(2.1.3): http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf</p>	
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Non-Compliant		The shareholders can freely access the company's website and telephone lines should they have inquiries or need assistance at anytime.
2. IRO is present at every shareholder's meeting.	Non-Compliant		Considering the size and operations of the Company, and its number of stockholders, the Company is able to duly address feedback, complaints, and queries from stockholders without need to establish a separate Investor Relations Office.

Supplemental Recommendations to Principle 13

1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant	<p>The Company's stockholders are entitled to cumulative voting in the election of directors during the Annual Stockholders' Meeting.</p> <p>There has been no event so far that will require the Board to act and/or avoid antitakeover measures or similar devices.</p>	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Non-Compliant		<p>The Company's public float is at 11.99% as of 31 December 2023.</p> <p>Section 3(a), Article XVIII of the PSE Rules on Minimum Public Ownership (public float) provides: "Listed companies shall, at all time, maintain a minimum percentage of listed securities held by the public of ten percent (10%) of the listed companies' issued and outstanding shares, exclusive of any treasury shares, or as such percentage that may be prescribed by the Exchange. The Exchange may impose a higher percentage effective upon receipt by the Commission of written notice of such increase. -xxx"</p>

Optional: Principle 13

1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting			
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.			

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>It is the duty of the Board to identify stakeholders in the community the Company operates.</p> <p><u>Links / References:</u></p> <p>1. New Manual on Corporate Governance, See Item VII: http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf</p>	
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Recommendation 14.2

1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	<p>The following policy are also in place to protect the interest of the Company's stakeholders:</p> <ul style="list-style-type: none">a. Whistle-blowing Policyb. Insider Trading Policyc. Related Party Transactions Policyd. Policy and Data Relating to Health, Safety and Welfare of Employees, including company sponsored trainings <p><u>Links / References:</u></p> <ul style="list-style-type: none">1. New Manual on Corporate Governance, See Item VI: http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf	
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Recommendation 14.3

1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	Compliant	<p>MVC has a formal whistle blowing policy implemented thru its Internal Reporting System.</p> <p>The Company's website provides contact details for other stakeholders.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none">1. Internal Reporting System: http://www.mvc.com.ph/wp-content/uploads/2017/07/IRS-Regulations-rev.01-11.15.2017.pdf2. Company contact details: http://www.mvc.com.ph/contact-us/	
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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>The Company accepts feedback, complaints, and queries from stockholders. Contact details of the Company are available on the Company website.</p> <p><u>Links / References:</u></p> <p>1. New Manual on Corporate Governance, See Item II(2)(2.1.3): http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf</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	No exemption sought. The Company applied the “comply or explain” approach. The Company, as much as possible, applies the recommendations of the SEC on corporate governance matters. In the event the Company cannot fully comply with the recommendations, the Company indicated in the report the reason for non-compliance and the alternatives taken by the Company to achieve the overall principle of good corporate governance.	

2. Company respects intellectual property rights.	Compliant	<p>The Company acknowledges that the data from its joint venture partners, suppliers, and customers are confidential information and their exclusive proprietary information.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none"> 1. Code of Business Conduct: http://www.mvc.com.ph/wp-content/uploads/2018/03/MVC-Code-of-Business-Conduct.pdf 	
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare			
2. Company discloses its policies and practices that address supplier/contractor selection procedures			

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

<p>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.</p>	<p>Compliant</p>	<p>The Company respects the dignity and worth of its employees. It recognizes the importance and contribution of its employees to the success of the Company. Participation of employees is highly encouraged for the realization of the Company's goals.</p> <p><u>Links / References:</u></p> <p>1. New Manual on Corporate Governance, See Item VIII: http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf</p>	
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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	<p>MVC's Employee Handbook The Company also implements a formal Performance Management System which requires quarterly individual, departmental and entity level assessments. It also discusses the policies and practices implemented for the health and safety of employees.</p> <p><u>Links / References:</u></p> <p>1. New Manual on Corporate Governance, See Item VIII: http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf</p>	
2. Company has policies and practices on health, safety and welfare of its employees.	Compliant		
3. Company has policies and practices on training and development of its employees.	Compliant		

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>MVC has a formal whistle blowing policy implemented thru its Internal Reporting System.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none">1. New Manual on Corporate Governance, See Item VIII: http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf2. Code of Business Conduct: http://www.mvc.com.ph/wp-content/uploads/2018/03/MVC-Code-of-Business-Conduct.pdf3. Internal Reporting System: http://www.mvc.com.ph/wp-content/uploads/2017/07/IRS-Regulations-rev.01-11.15.2017.pdf	
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2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	The Audit Committee administers the Code to the Board Directors, while the Human Resources Department administers to all levels throughout the organization.	
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>The Company is against corrupt practices.</p> <p><u>Links / References:</u></p> <ol style="list-style-type: none"> 1. New Manual on Corporate Governance, See Item VIII: http://www.mvc.com.ph/wp-content/uploads/2017/11/New-Manual-on-Corporate-Governance.pdf 2. Code of Business Conduct: http://www.mvc.com.ph/wp-content/uploads/2018/03/MVC-Code-of-Business-Conduct.pdf 	

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	MVC has a formal whistle blowing policy implemented thru its Internal Reporting System. <u>Links / References:</u> 1. Internal Reporting System: http://www.mvc.com.ph/wp-content/uploads/2017/07/IRS-Regulations-rev.01-11.15.2017.pdf	
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	MVC has a formal whistle blowing policy implemented thru its Internal Reporting System. <u>Links / References:</u>	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	1. Internal Reporting System: http://www.mvc.com.ph/wp-content/uploads/2017/07/IRS-Regulations-rev.01-11.15.2017.pdf	

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>MVC's approach to sustainable development is rooted in our core value of social responsibility and is taken into consideration as we work to grow the business without jeopardizing the growth and welfare of future generations.</p> <p>Our framework for sustainable development combines aspects of environmental protection, general health and safety, harmonious community relations and employee development in order to maintain sustainability in our operations.</p> <p><u>Links / References:</u></p> <p>1. Corporate Social Responsibility (CSR): https://www.mvc.com.ph/news-and-events/ </p>	
Optional: Principle 16			
1. Company ensures 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			

Signed this _____ day of _____ 2024, at _____, Philippines.



YOHEI CHIKAMOTO
Chairman of the Board/CEO



STEVE S.C. PANGILINAN
President/COO



RAMON J. ABEJUELA
Independent Director




FRANCISCO J. KONG
Independent Director

MARIA MELVA E. VALDEZ
Compliance Officer/
Corporate Secretary

SUBSCRIBED AND SWORN TO BEFORE ME, this MAY 30 2024th day of _____ 2024, affiants exhibited to me their Tax Identification Numbers:

TIN

- | | |
|--------------------------|-------------|
| 1. Yohei Chikamoto | 628-429-240 |
| 2. Steve S.C. Pangilinan | 112-075-833 |
| 3. Ramon J. Abejuela | 172-761-781 |
| 4. Francisco J. Kong | 111-594-776 |
| 5. Maria Melva E. Valdez | 123-493-209 |

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Series of 2024



ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2024
IBP No. 05729 - Lifetime Member
MCLE Compliance No. VII-0022734
valid until April 14, 2025
Appointment No. M-39 (2023-2024)
PTR No. 10073909 Jan. 2, 2024 / Makati
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

Signed this MAY 30 2024 day of _____, 2024, at **PASIG CITY**, Philippines.



MARIA MELVA E. VALDEZ
Compliance Officer/
Corporate Secretary

SUBSCRIBED AND SWORN TO BEFORE ME, this MAY 30 2024 day of _____, 2024, affiants exhibited to me their Tax Identification Numbers:

TIN

- | | |
|--------------------------|-------------|
| 1. Yohei Chikamoto | 628-429-240 |
| 2. Steve S.C. Pangilinan | 112-075-833 |
| 3. Ramon J. Abejuela | 172-761-781 |
| 4. Francisco J. Kong | 111-594-776 |
| 5. Maria Melva E. Valdez | 123-493-209 |

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Page No. 106;
Book No. 77;
Series of 2024.


DANIELLA S.J. POBLADOR
Notary Public - Pasig City Appointment No. 351 (2023-2024)
VALID UNTIL 31 DECEMBER 2024
17th Floor, Robinsons Equitable Tower No. 4 ADB Avenue
cor. P. Poveda Drive Ortigas Center, Pasig City
IBP No. 342758 / 09 May 2023 / RSM
PTR No. 1739991 / 16 Jan 2024 / Pasig City
MCLE Compliance No. VIII - 0006966 / 14 April 2028
Roll of Attorneys No. 86990