

SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended December 31, 2018
2. SEC Identification Number 150014 3. BIR Tax Identification No. 000-473-206-000
4. Exact name of issuer as specified in its charter MABUHAY HOLDINGS CORPORATION
5. PHILIPPINES 6. (SEC Use Only)
Province, Country or other jurisdiction of Industry Classification Code:
incorporation or organization
7. 35th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City 1223
Address of principal office Postal Code
8. (632) 750-2000
Issuer's telephone number, including area code
9. NOT APPLICABLE
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

| | COMPLIANT/ NON- COMPLIANT | ADDITIONAL INFORMATION | EXPLANATION |
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| 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 Board of Directors of Mabuhay Holdings Corporation is composed of directors with collective working knowledge, appropriate mix of competence and expertise and are qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization. Please refer to the Company's Annual Report for the year 2018 under SEC Form 17-A submitted April 15, 2019 and the Definitive Information Statement in connection with the 2019 Annual Shareholders Meeting. | |
| 2. Board has an appropriate mix of competence and expertise. | Compliant | | |
| 3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization. | Compliant | | |
| Recommendation 1.2 | | | |
| 1. Board is composed of a majority of non-executive directors. | Compliant | The Board is composed of two (2) executive directors and five (5) non-executive directors. Please refer to the Company's Annual Report for the year 2018 under SEC Form 17-A submitted April 15, 2019 and the Definitive Information Statement in connection with the 2019 Annual Shareholders Meeting. | |
| Recommendation 1.3 | | | |

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| 1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors. | Compliant | The company's Board Charter and Manual on Corporate Governance contains policy on training of directors. This is contained in Part 1, Article 1, D. of the Company's Manual on Corporate Governance adopted and submitted May 29, 2017. | |
| 2. Company has an orientation program for first time directors. | Compliant | The Company does not have a formal orientation program, however, new directors are provided with reference reading materials to assist them in understanding better the business and operations of the Company. Among the reading materials provided are: (1) audited financial statements, (2) SEC Form 20-IS-Information Statement-Annual Report, (3) Manual on Corporate Governance, (4) Amended Articles of Incorporation, (5) Amended By-Laws, (6) MHC Company Policy Manual that includes the Company's Code of Ethics and Code of Conduct, (7) Definitive Information Statement, (8) Board Committee Charters, (9) Minutes of Annual Stockholders' Meeting, (10) relevant write ups, references or real estate industry reports. | |
| 3. Company has relevant annual continuing training for all directors. | Compliant | Company does not have training programs for directors, however, all directors are encouraged to participate in relevant trainings. | |
| Recommendation 1.4 | | | |
| 1. Board has a policy on board diversity. | Compliant | The company's New Manual on Corporate Governance contains policy on board diversity. This is contained in Part 1, Article 1, E. of the Company's Manual on Corporate Governance adopted and submitted May 29, 2017. The Board is composed of 6 male directors and 1 female director. | |
| Optional: Recommendation 1.4 | | | |
| 1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives. | Compliant | Please refer to the Company's New Manual on Corporate Governance adopted and submitted May 29, 2017. | |
| Recommendation 1.5 | | | |
| 1. Board is assisted by a Corporate Secretary. | Compliant | The Board of Directors of Mabuhay Holdings Corporation is assisted by a Corporate Secretary who is a separate | |

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| 2. Corporate Secretary is a separate individual from the Compliance Officer. | Compliant | Individual from the Compliance Officer and is not a member of the Board. | |
| 3. Corporate Secretary is not a member of the Board of Directors. | Compliant | Please refer to the Company's Annual Report for the year 2018 under SEC Form 17-A submitted April 15, 2019 which contains the brief background of Atty. Delfin P. Angcao, the Corporate Secretary. The Company's New Manual on Corporate Governance contains the duties and responsibilities of the Corporate Secretary. This is contained in Part 1, Article 1, F. of the Company's New Manual on Corporate Governance adopted and submitted May 29, 2017. | |
| 4. Corporate Secretary attends training/s on corporate governance. | Compliant | The Corporate Secretary attends training/s on corporate governance. | |
| Optional: Recommendation 1.5 | | | |
| 1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting. | Compliant | The Corporate Secretary endeavors to send out materials for board meetings at least five business days before scheduled meeting. | |
| Recommendation 1.6 | | | |
| 1. Board is assisted by a Compliance Officer. | Compliant | The Board of Directors of Mabuhay Holdings Corporation is assisted by a Compliance Officer who has a rank of Senior Vice President and is not a member of the Board. | |
| 2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation. | Compliant | Please refer to the Company's Annual Report for the year 2018 under SEC Form 17-A submitted April 15, 2019 which contains the brief background of Ms. Gloria Georgia G. Garcia, the Compliance Officer. | |
| 3. Compliance Officer is not a member of the board. | Compliant | The same is also contained in the Company's Annual Report under SEC Form 17-A. The company's New Manual on Corporate Governance contains the duties and responsibilities of the Compliance Officer. This is contained in Part 1, Article 1, G. | |

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| 4. Compliance Officer attends training/s on corporate governance. | Compliant | <p>Gloria Georgia G. Garcia, Compliance officer attended the following:</p> <ol style="list-style-type: none"> 1. SEC Roundtable Discussion on the Code of Corporate Governance for Publicly-Listed Companies, May 17, 2017 - 4 hours. 2. 2017 PSE Annual Disclosure Rules Seminar, November 27, 2017-4 hours. 3. 2018 PSE Annual Listing and Disclosure Rules Seminar, December 4, 2018 - 4 hours. | |
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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

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| 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 | Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company. Matters requiring board approval are taken up in board meetings and supported by board resolutions. | |
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Recommendation 2.2

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| 1. Board oversees the development, review and approval of the company's business objectives and strategy. | Compliant | Board oversees the development, review and approval of the Company's business objectives and strategy. It also oversees and monitors the implementation of the Company's business objectives and strategy. Matters requiring board approval are taken up in board meetings and supported by board resolutions. | |
| 2. Board oversees and monitors the implementation of the company's business objectives and strategy. | Compliant | Review of business objectives and strategy are done as needed. | |

Supplement to Recommendation 2.2

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| 1. Board has a clearly defined and updated vision, mission and core values. | Compliant | <p>Refer to MHC Website and the Company's New Manual on Corporate Governance adopted by the Board of Directors in May 2017.</p> <p>Review of the vision, mission and core values are done at least once a year, or when the need arises.</p> | |
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| 2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture. | Compliant | Refer to the Company's New Manual on Corporate Governance adopted and submitted May 29, 2017. | |
| Recommendation 2.3 | | | |
| 1. Board is headed by a competent and qualified Chairperson. | Compliant | <p>The Board is headed by a competent and qualified Chairperson, Atty. Roberto V. San Jose.</p> <p>Please refer to the Company's Annual Report for the year 2018 under SEC Form 17-A which contains the brief background of Atty. San Jose.</p> | |
| Recommendation 2.4 | | | |
| 1. Board ensures and adopts an effective succession planning program for directors, key officers and management. | Compliant | The Corporate Governance (CG) Committee performs the functions previously undertaken by the Nominations and Elections Committee. The Board thru its CG Committee pre-screens the qualifications of all nominees to the Board of Directors, taking into consideration the relevant issuances of the Securities and Exchange Commission. | |
| 2. Board adopts a policy on the retirement for directors and key officers. | Compliant | Any vacancy in the Board of Directors, other than those caused by removal by the stockholders or expiration of term, shall be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum; otherwise, said vacancies must be filled by the stockholders in a regular or special meeting called for that purpose. A director so elected to fill a vacancy shall be elected only for the unexpired term of his predecessor in office. | |
| Recommendation 2.5 | | | |
| 1. Board aligns the remuneration of key officers and board members with long-term interests of the company. | Compliant | Please refer to the Company's Annual Report under SEC Form 17-A for the year 2018 submitted April 15, 2019. | |

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| 2. Board adopts a policy specifying the relationship between remuneration and performance. | Compliant | | |
| 3. Directors do not participate in discussions or deliberations involving his/her own remuneration. | Compliant | | |
| Optional: Recommendation 2.5 | | | |
| 1. Board approves the remuneration of senior executives. | | Provide proof of board approval | |
| 2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses. | | Provide information on or link/reference to a document containing measurable standards to align performance-based remuneration with the long-term interest of the company. | |
| Recommendation 2.6 | | | |
| 1. Board has a formal and transparent board nomination and election policy. | Compliant | Please refer to the Company's Annual Report under SEC Form 17-A for the year 2018, the Company's Definitive Information Statement in connection with the 2019 Annual Shareholders Meeting and the New Manual on Corporate Governance adopted May 2017. | |
| 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 | | |

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| 4. Board nomination and election policy includes how the board shortlists candidates. | Compliant | | |
| 5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director. | Compliant | | |
| 6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company. | Compliant | | |
| Optional: Recommendation to 2.6 | | | |
| 1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors. | Non-Compliant | Identify the professional search firm used or other external sources of candidates | The Company currently does not use any professional search firm or other external sources of candidates. Based on the assessment of the Board of Directors, full compliance with this recommendation is not necessary taking into account the size, structure, risk profile and nature of operations of the Company. |
| 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 | Please refer to the Company's Annual Report under SEC Form 17-A for the year 2018, the Company's Definitive Information Statement in connection with the 2019 Annual Shareholders Meeting and the New Manual on Corporate Governance adopted May 2017. | |

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| 2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions. | Compliant | | |
| 3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations. | Compliant | | |

Supplement to Recommendations 2.7

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| 1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval. | Compliant | Please refer to the Company's Annual Report under SEC Form 17-A for the year 2018, the Company's Definitive Information Statement in connection with the 2019 Annual Shareholders Meeting and the New Manual on Corporate Governance adopted May 2017. | |
| 2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings. | Compliant | Please refer to the Company's New Manual on Corporate Governance adopted May 2017. The Board of Directors adopts the provisions of the Corporation Code on approvals involving related party transactions. | |

Recommendation 2.8

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| 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 | Please refer to the Company's New Manual on Corporate Governance adopted May 2017. | |
| 2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive). | Compliant | Please refer to the Company's New Manual on Corporate Governance adopted May 2017. | |
| 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 | Please refer to the Company's New Manual on Corporate Governance adopted May 2017. | |
| 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 | Please refer to the Company's New Manual on Corporate Governance adopted May 2017. | |

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| 2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders. | Compliant | | |
| 3. Board approves the Internal Audit Charter. | | Please refer to the Company's website (mabuhayholdingscorp.com) | |
| 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 | Please refer to the Company's New Manual on Corporate Governance adopted May 2017. | |
| 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 | Provide link to the company's website where the Board Charter is disclosed. | The Board of Directors currently does not have a Board Charter in place, as it follows the Corporation's New Manual on Corporate Governance and by-laws in the discharge of its duties and functions. Based on the assessment of the Board of Directors, full compliance with this recommendation is not necessary taking into account the size, structure, risk profile and nature of operations of the Corporation. |
| 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 | | | |

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| 1. Board has a clear insider trading policy. | Non-Compliant | Provide information on or link/reference to a document showing company's insider trading policy. | The Company currently does not have an express insider trading policy. However, under the Corporation's New Manual on Corporate Governance, every director shall ensure that it conducts fair business transactions with the Corporation, and ensure that his personal interest does not conflict with the interests of the Corporation. Based on the assessment of the Board of Directors, full compliance with this recommendation is not necessary taking into account the size, structure, risk profile and nature of operations of the Company. |
| 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. | Non-Compliant | Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any. | The Company does not have an express policy on granting loans to directors. However, the Corporation adopts related- party transactions which may involve the loan agreements between the Company and any director. Based on the assessment of the Board of Directors, full compliance with this recommendation is not necessary taking into account the size, structure, risk profile and nature of operations of the Company. |

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| 2. Company discloses the types of decision requiring board of directors' approval. | Non-Compliant | Indicate the types of decision requiring board of directors' approval and where there are disclosed. | The Company does not expressly enumerate all actions or types of decision requiring the board of directors' approval. The Board of Directors, however, is guided by the Corporation's New Manual on Corporate Governance on how it shall arrive at its decisions. Based on the assessment of the Board of Directors, full compliance with this recommendation is not necessary taking into account the size, structure, risk profile and nature of operations of the Company. |
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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

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| 1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities. | Compliant | Please refer to the Company's New Manual on Corporate Governance adopted May 2017. | |
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Recommendation 3.2

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| 1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations. | Compliant | Please refer to the Company's New Manual on Corporate Governance adopted May 2017. It is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor. | |
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| 2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent. | Compliant | Please refer to the Company's New Manual on Corporate Governance adopted May 2017 and the Company's Annual Report for the year 2018. | |
| 3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance. | Compliant | Please refer to the Company's New Manual on Corporate Governance adopted May 2017 and the Company's Annual Report for the year 2018. | |
| 4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee. | Compliant | Please refer to the Company's New Manual on Corporate Governance adopted May 2017 and the Company's Annual Report for the year 2018. | |
| Supplement to Recommendation 3.2 | | | |
| 1. Audit Committee approves all non-audit services conducted by the external auditor. | Compliant | Please refer to the Company's New Manual on Corporate Governance adopted May 2017 and the Company's Annual Report for the year 2018. | |
| 2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present. | Compliant | Please refer to the Company's New Manual on Corporate Governance adopted May 2017 and the Company's Annual Report for the year 2018. | |
| Optional: Recommendation 3.2 | | | |
| 1. Audit Committee meet at least four times during the year. | | Indicate the number of Audit Committee meetings during the year and provide proof | |
| 2. Audit Committee approves the appointment and removal of the internal auditor. | | Provide proof that the Audit Committee approved the appointment and removal of the internal auditor. | |
| Recommendation 3.3 | | | |

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| 1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee. | Compliant | <p>The Board established a Corporate Governance Committee tasked to ensure compliance with and proper observance of corporate governance principles and policies. It has five (5) members consisting of two (2) independent directors and three (3) regular directors. The Chairman of the committee is an independent director.</p> <p>The functions of the CG Committee are detailed in the New Manual on Corporate Governance under Article 3: Board Committees.</p> | |
| 2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors. | Compliant | | |
| 3. Chairman of the Corporate Governance Committee is an independent director. | Compliant | | |
| Optional: Recommendation 3.3. | | | |
| 1. Corporate Governance Committee meet at least twice during the year. | | Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof. | |
| Recommendation 3.4 | | | |
| 1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness. | Non-Compliant | | |
| 2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman. | Non-Compliant | | <p>The Company's New Manual on Corporate Governance provided for a Board Risk Oversight Committee. The functions of the Board Risk Oversight Committee are detailed in the Manual under Article 3: Board committees.</p> <p>However, for the reporting year, no such committee has been set up. The functions of the BROC are carried by the Audit Committee.</p> |

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| 3. The Chairman of the BROC is not the Chairman of the Board or of any other committee. | Non-Compliant | | BROC are carried by the Audit Committee. |
| 4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management. | Non-Compliant | | |
| Recommendation 3.5 | | | |
| 1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company. | Compliant | The Board established an Audit and Related Party Transactions (ARPT) Committee tasked to review all material related party transactions of the Company. It has five (5) members consisting of two (2) independent directors and three (3) regular directors. The Chairman of the committee is an independent director. Four (4) of the members are non-executive. | |
| 2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman. | Compliant | The functions of the ARPT Committee are detailed in the New Manual on Corporate Governance under Article 3: Board Committees. | |
| 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 | Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes. | Committee Charters are under review and approval process. Once finalized, these charters shall be posted in the Company's website. |
| 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 | Provide link to company's website where the Committee Charters are disclosed. | |

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

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| 1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/ videoconferencing conducted in accordance with the rules and regulations of the Commission. | Compliant | Under the Corporation's New Manual on Corporate Governance, the Board of Directors is mandated to devote time and attention necessary to properly and effectively perform its duties and responsibilities. This includes active participation in board and committee meetings, review of meeting materials given by the Corporate Secretary, and asking of questions or seeking explanations on matters | |
| 2. The directors review meeting materials for all Board and Committee meetings. | Compliant | discussed during said meetings. | |
| 3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings. | Compliant | Directors attend and actively participate in all meetings of the Board, Committees and Shareholders in person. Foreign directors who are unable to attend in person participate through video conferencing. Please refer to the Company's Definitive Information Statement and the Company's Annual Report for the year 2018. | |

Recommendation 4.2

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| 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 | Please refer to the Company's New Manual on Corporate Governance. | |
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Recommendation 4.3

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| 1. The directors notify the company's board before accepting a directorship in another company. | Compliant | The Corporation's New Manual on Corporate Governance requires the Board to evaluate the number of directorships of directors and the companies involved for purposes of determining the number of directorships said director is entitled to. | |
| 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. | | | |
| 4. Board of directors meet at least six times during the year. | | Indicate the number of board meetings during the year and provide proof | |
| 5. Company requires as minimum quorum of at least 2/3 for board decisions. | | Indicate the required minimum quorum for board decisions | |
| Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs | | | |
| Recommendation 5.1 | | | |
| 1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher. | Compliant | The Board has two (2) independent directors. | |
| Recommendation 5.2 | | | |
| 1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions. | Compliant | Please refer to the Company's Annual Report for the year 2018 under SEC Form 17-A on the brief background of each of the Independent Directors. | |
| Supplement to Recommendation 5.2 | | | |

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| 1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently. | Compliant | Please refer to the Company's New Manual on Corporate Governance adopted May 2017 and the Company's Annual Report for the year 2018. | |
| Recommendation 5.3 | | | |
| 1. The independent directors serve for a cumulative term of nine years (reckoned from 2012). | Compliant | Director Rodrigo B. Supena has been an Independent Director since 2009. Director Steven G. Virata has been an Independent Director since 2001. | |
| 2. The company bars an independent director from serving in such capacity after the term limit of nine years. | Compliant | Please refer to the Company's New Manual on Corporate Governance adopted May 2017 and the Company's Annual Report for the year 2018. | |
| 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 | Please refer to the Company's New Manual on Corporate Governance adopted May 2017 and the Company's Annual Report for the year 2018. | |
| Recommendation 5.4 | | | |
| 1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals. | Compliant | The positions of Chairman and Chief Executive Officer are held by separate individuals. The Company's Chairman of the Board is Atty. Roberto V. San Jose. The Company's President and Chief Executive Officer is Mr. Esteban G. Peña Sy. | |
| 2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities. | Compliant | The duties and responsibilities of the Chairman of the Board and Chief Executive Officer are defined in the New Manual on Corporate Governance under Article 2: Roles and Responsibilities of the Board, F. The Chairman is not related to the CEO. | |
| Recommendation 5.5 | | | |

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| 1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors. | Compliant | Contained in B. of Article 5: Board Independence are the functions of the lead director. The Chairman of the Board is not independent. | |
| 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 | No such transaction/s occurred during the year under reporting. | |
| 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. | Non-Compliant | Provide proof and details of said meeting, if any. Provide information on the frequency and attendees of meetings. | The Corporation currently does not have a policy in place which requires non- executive directors to hold separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions. However, the members of the Audit Committee, who are composed of non-executive directors, meet with the external auditor to discuss the annual financial statements of the Corporation. |
| 2. The meetings are chaired by the lead independent director. | Non-Compliant | | |
| Optional: Principle 5 | | | |
| 1. None of the directors is a former CEO of the company in the past 2 years. | | Provide name/s of company CEO for the past 2 years | |
| Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies. | | | |
| Recommendation 6.1 | | | |
| 1. Board conducts an annual self-assessment of its performance as a whole. | Non-Compliant | Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees | The Board of Directors currently does not have an |

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| 2. The Chairman conducts a self-assessment of his performance. | Non-Compliant | | annual self-assessment process in place, as it follows the Corporation's New Manual on Corporate Governance and by-laws in the discharge of its duties and functions. Based on the assessment of the Board of Directors, full compliance with this recommendation is not necessary taking into account the size, structure, risk profile and nature of operations of the Corporation. |
| 3. The individual members conduct a self-assessment of their performance. | Non-Compliant | | |
| 4. Each committee conducts a self-assessment of its performance. | Non-Compliant | | |
| 5. Every three years, the assessments are supported by an external facilitator. | Non-Compliant | Identify the external facilitator and provide proof of use of an external facilitator. | |

Recommendation 6.2

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| 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. | Non-Compliant | Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders | The Board of Directors currently does not have an annual self-assessment process in place, as it follows the Corporation's New Manual on Corporate Governance and by-laws in the discharge of its duties and functions. Based on the assessment of the Board of Directors, full compliance with this recommendation is not necessary taking into account the size, structure, risk profile and nature of operations of the Corporation. |
| 2. The system allows for a feedback mechanism from the shareholders. | Non-Compliant | | |

Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

Recommendation 7.1

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| 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 | In competition and fair dealings, the company's Directors, Senior Management and Employees, shall: <ul style="list-style-type: none"> • not take unfair advantage of anyone through manipulation, collusion, concealment, abuse of privileged information, or misrepresentation of material fact; • not make false statements against competitors, their products and/or services; and • exercise reasonable and prudent professional judgment when dealing with clients; • deal fairly with the Company's customers, service providers, suppliers, competitors and employees. | |
| 2. The Code is properly disseminated to the Board, senior management and employees. | Compliant | The Personnel Manager implements and monitors compliance with the Company's Code of Ethics. | |
| 3. The Code is disclosed and made available to the public through the company website. | Compliant | Please refer to the Company's website (mabuhayholdingscorp.com) | |

Supplement to Recommendation 7.1

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| 1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes. | Compliant | An employee should not accept commissions, loans or advances (other than from financial institutions), materials, services repairs at no cost or at unreasonably low prices, excessive or extravagant entertainment, gifts in cash or in kind and gift certificates from any firm(s) or individual(s) doing or seeking to do business with the Company, in exchange for any favor, promise or reward. During occasions, employees may receive gifts and favors, but in no case should the value thereof exceed nominal proportions. | |
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Recommendation 7.2

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| 1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics. | Compliant | Directors, officers and employees shall uphold right conduct and shall personally adhere to the norms and restrictions imposed by applicable laws, rules and regulations. They shall not accept demands brought on by prevailing business conditions or perceived pressures as excuses to violate any law, rule or regulation. | |
| 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

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| <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>Please refer to the Company's New Manual on Corporate Governance adopted May 2017.</p> | |
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Supplement to Recommendations 8.1

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| <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>Company distributes and makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions, if any.</p> <p>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>2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p> | <p>Compliant</p> | <p>Please refer to the Company's Annual Report for the year 2018 under SEC Form 17-A.</p> | |

Recommendation 8.2

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| 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 | Please refer to the Company's New Manual on Corporate Governance adopted May 2017. | |
| 2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days. | Compliant | | |
| Supplement to Recommendation 8.2 | | | |
| 1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program). | Compliant | Please refer to the Company's Annual Report under SEC Form 17-A for the year 2018, the Company's Definitive Information Statement in connection with the 2019 Annual Shareholders Meeting and the New Manual on Corporate Governance adopted May 2017. | |
| Recommendation 8.3 | | | |
| 1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment. | Compliant | Please refer to the Company's Annual Report under SEC Form 17-A for the year 2018, the Company's Definitive Information Statement in connection with the 2019 Annual Shareholders Meeting and the New Manual on Corporate Governance adopted May 2017. | |
| 2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment. | Compliant | Please refer to the Company's Annual Report under SEC Form 17-A for the year 2018, the Company's Definitive Information Statement in connection with the 2019 Annual Shareholders Meeting and the New Manual on Corporate Governance adopted May 2017. | |

| Recommendation 8.4 | | | |
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| 1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same. | Compliant | Please refer to the Company's Annual Report under SEC Form 17-A for the year 2018, the Company's Definitive Information Statement in connection with the 2019 Annual Shareholders Meeting and the New Manual on Corporate Governance adopted May 2017. | |
| 2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same. | Compliant | Please refer to the Company's Annual Report under SEC Form 17-A for the year 2018, the Company's Definitive Information Statement in connection with the 2019 Annual Shareholders Meeting and the New Manual on Corporate Governance adopted May 2017. | |
| 3. Company discloses the remuneration on an individual basis, including termination and retirement provisions. | Compliant | Please refer to the Company's Annual Report under SEC Form 17-A for the year 2018, the Company's Definitive Information Statement in connection with the 2019 Annual Shareholders Meeting and the New Manual on Corporate Governance adopted May 2017. | |
| 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 | Please refer to the Company's Annual Report under SEC Form 17-A for the year 2018, the Company's Definitive Information Statement in connection with the 2019 Annual Shareholders Meeting and the New Manual on Corporate Governance adopted May 2017. | |
| 2. Company discloses material or significant RPTs reviewed and approved during the year. | Compliant | Please refer to the Company's Annual Report under SEC Form 17-A for the year 2018, the Company's Definitive Information Statement in connection with the 2019 Annual Shareholders Meeting and the New Manual on Corporate Governance adopted May 2017. | |
| Supplement to Recommendation 8.5 | | | |
| 1. Company requires directors to disclose their interests in transactions or any other conflict of interests. | Compliant | Please refer to the Company's Annual Report under SEC Form 17-A for the year 2018, the Company's Definitive Information Statement in connection with the 2019 Annual Shareholders Meeting and the New Manual on Corporate Governance adopted May 2017. | |
| Optional : Recommendation 8.5 | | | |

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| 1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length. | Compliant | Please refer to the Company's Annual Report for the year 2018 under SEC Form 17-A. | |
| 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 | Please refer to the Company's Annual Report under SEC Form 17-A for the year 2018, the Company's Definitive Information Statement in connection with the 2019 Annual Shareholders Meeting and the New Manual on Corporate Governance adopted May 2017. | |
| 2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets. | Compliant | Please refer to the New Manual on Corporate Governance adopted May 2017. | |
| 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 | Please refer to the New Manual on Corporate Governance adopted May 2017. | |
| Recommendation 8.7 | | | |
| 1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG). | Compliant | Please refer to the Company's website (mabuhayholdingscorp.com) | |

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| 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 | The Corporation submitted its New Manual on Corporate Governance to the SEC and PSE on 29 May 2017. | |
| Optional: Principle 8 | | | |
| 1. Does the company's Annual Report disclose the following information: | | Please refer to the Company's Annual Report for the year 2018 under SEC Form 17-A. | |
| a. Corporate Objectives | Compliant | | Please refer to Item 6 of the Corporation's Annual Report for the year 2018. |
| b. Financial performance indicators. | Compliant | | Please refer to Item 6 of the Corporation's Annual Report for the year 2018. |
| c. Non-financial performance indicators | Compliant | | Please refer to Item 6 of the Corporation's Annual Report for the year 2018. |
| d. Dividend Policy | Compliant | | Please refer to Item 5 of the Corporation's Annual Report for the year 2018. |
| e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors | Compliant | | Please refer to Item 9 of the Corporation's Annual Report for the year 2018. |
| f. Attendance details of each director in all directors meetings held during the year | Compliant | | Please refer to Item 9 of the Corporation's Annual Report for the year 2018. |

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| g. Total remuneration of each member of the board of directors | Compliant | | Please refer to Item 10 of the Corporation's Annual Report for the year 2018. |
| 2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue. | Compliant | Please refer to the Company's Annual Report for the year 2018 under SEC Form 17-A. | Please refer to Item 13 of the Corporation's Annual Report for the year 2018. |
| 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. | Non-Compliant | Provide link or reference to where this is contained in the Annual Report | No information on this item is disclosed in the Corporation's Annual Report for the year 2018. Based on the assessment of the Board of Directors, full compliance with this recommendation is not necessary taking into account the size, structure, risk profile and nature of operations of the Corporation. |
| 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. | Non-Compliant | Provide link or reference to where this is contained in the Annual Report | No information on this item is disclosed in the Corporation's Annual Report for the year 2018. Based on the assessment of the Board of Directors, full compliance with this recommendation is not necessary taking into account the size, structure, risk profile and nature of operations of the Corporation. |
| 5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic). | Compliant | Provide link or reference to where these are contained in the Annual Report | Please refer to Item 6 of the Corporation's Annual Report for the year 2018. |

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 | | | |
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| 1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors. | Compliant | Please refer to the Company's New Manual on Corporate Governance adopted by the Board of Directors in May 2017 and the Company's Annual Report for the year 2018. | |
| 2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders. | Compliant | Please refer to the Company's New Manual on Corporate Governance adopted by the Board of Directors in May 2017 and the Company's Annual Report for the year 2018. | |
| 3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures. | Compliant | Please refer to the Company's New Manual on Corporate Governance adopted by the Board of Directors in May 2017 and the Company's Annual Report for the year 2018. | |
| Supplement to Recommendation 9.1 | | | |
| 1. Company has a policy of rotating the lead audit partner every five years. | Compliant | Please refer to the Company's New Manual on Corporate Governance adopted by the Board of Directors in May 2017 and the Company's Annual Report for the year 2018. | |
| Recommendation 9.2 | | | |

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| <p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <ul style="list-style-type: none"> i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. | Compliant | Please refer to the Company's website (mabuhayholdingscorp.com) | |
| <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.</p> | Compliant | Please refer to the Company's website (mabuhayholdingscorp.com) | |
| Supplement to Recommendations 9.2 | | | |
| <p>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.</p> | Compliant | Please refer to the Company's website (mabuhayholdingscorp.com) | |

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| 2. Audit Committee ensures that the external auditor has adequate quality control procedures. | Compliant | Please refer to the Company's website (mabuhayholdingscorp.com) | |
| 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 | Please refer to the Company's Annual Report for the year 2018 under SEC Form 17-A, Item 8. | |
| 2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity. | Compliant | Please refer to the Company's Annual Report for the year 2018 under SEC Form 17-A, Item 8. | |
| Supplement to Recommendation 9.3 | | | |
| 1. Fees paid for non-audit services do not outweigh the fees paid for audit services. | Compliant | Please refer to the Company's Annual Report for the year 2018 under SEC Form 17-A, Item 8. | |
| Additional Recommendation to Principle 9 | | | |
| 1. Company's external auditor is duly accredited by the SEC under Group A category. | Compliant | Please refer to the Company's Annual Report for the year 2018 under SEC Form 17-A. | |
| 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). | Non-Compliant | Provide information on the following: <ol style="list-style-type: none"> 1. Date it was subjected to SOAR inspection, if subjected; 2. Name of the Audit firm; and 3. Members of the engagement team inspected by the SEC. | As of report date, the Corporation is not aware that its external auditor agreed to be subject to the SOAR inspection program conducted by the SEC. Based on the assessment of the Board of Directors, full compliance with this recommendation is not necessary taking into account the size, structure, risk profile and nature of operations of the Corporation. |

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

Recommendation 10.1

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| <p>1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.</p> | <p>Non-Compliant</p> | <p>Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.</p> | <p>The Corporation currently does not adopt a policy on disclosure of non-financial information, including EESG issues. Based on the assessment of the Board of Directors, full compliance with this recommendation is not necessary taking into account the size, structure, risk profile and complexity of operations of the Corporation.</p> |
| <p>2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.</p> | <p>Non-Compliant</p> | <p>Provide link to Sustainability Report, if any. Disclose the standards used.</p> | <p>The Corporation currently does not adopt a policy on disclosure of non-financial information, including EESG issues. Based on the assessment of the Board of Directors, full compliance with this recommendation is not necessary taking into account the size, structure, risk profile and nature of operations of the Corporation.</p> |

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

Recommendation 11.1

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| <p>1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.</p> | <p>Compliant</p> | <p>Please refer to the Company's website (mabuhayholdingscorp.com)</p> | |
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Supplemental to Principle 11

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| <p>1. Company has a website disclosing up-to-date information on the following:</p> | <p>Compliant</p> | <p>Please refer to the Company's website (mabuhayholdingscorp.com)</p> | |
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| 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

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| 1. Company complies with SEC-prescribed website template. | Compliant | Please refer to the Company's website (mabuhayholdingscorp.com) | |
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Internal Control System and Risk Management Framework

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

Recommendation 12.1

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| 1. Company has an adequate and effective internal control system in the conduct of its business. | Compliant | <p>Internal control encompasses a set of rules, policies and procedures an organization implements to provide reasonable assurance that (a) its financial reports are reliable; (b) its operations are effective and efficient, and (c) its activities comply with applicable laws and regulations.</p> <p>The Board, through its Audit Committee, meets to discuss and oversee whether the Company is able to comply with the required financial reporting and audit processes, including compliance with applicable laws, rules and regulations.</p> <p>A review of the internal control system is done annually or when the need to revisit arises.</p> | |
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| 2. Company has an adequate and effective enterprise risk management framework in the conduct of its business. | Compliant | Please refer to the Corporation's Definitive Information Statement for the year 2018, the New Manual on Corporate Governance and the Annual Report for the year 2018. | |
| 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 | Please refer to the Corporation's Definitive Information Statement for the year 2018, the New Manual on Corporate Governance and the Annual Report for the year 2018. | |
| 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. | | Provide information on IT governance process | |
| 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. | Non-Compliant | Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm. | The Corporation currently does not have an internal auditor owing to its nature as a holding company and given the size, structure and nature of its operations. |
| Recommendation 12.3 | | | |

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| 1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board. | Non-Compliant | Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities. | The Corporation currently does not have a Chief Audit Executive (CAE) owing to its nature as a holding company and given the size, structure and complexity of its operations. |
| 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 | | |
| 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 | Identify qualified independent executive or senior management personnel, if applicable. | |
| Recommendation 12.4 | | | |
| 1. Company has a separate risk management function to identify, assess and monitor key risk exposures. | Non-Compliant | Provide information on company's risk management function. | <p>The Corporation currently does not have a separate risk management function.</p> <p>Based on the assessment of the Board of Directors, full compliance with this recommendation is not necessary taking into account the size, structure, risk profile and nature of operations of the Corporation.</p> |
| Supplement to Recommendation 12.4 | | | |
| 1. Company seeks external technical support in risk management when such competence is not available internally. | Non-Compliant | Identify source of external technical support, if any. | <p>The Corporation currently does not seek external technical support in risk management.</p> <p>Based on the assessment of the Board of Directors, full compliance with this recommendation is not necessary taking into account the size, structure, risk profile and nature of operations of the Corporation.</p> |
| Recommendation 12.5 | | | |

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| 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 | Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/ background. | The Corporation currently does not have a Chief Risk Officer. Based on the assessment of the Board of Directors, full compliance with this recommendation is not necessary taking into account the size, structure, risk profile and complexity of operations of the Corporation. |
| 2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities. | Non-Compliant | | |

Additional Recommendation to Principle 12

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| 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 | Provide link to CEO and CAE's attestation | The Corporation currently does not have a Chief Audit Executive. Based on the assessment of the Board of Directors, full compliance with this recommendation is not necessary taking into account the size, structure, risk profile and complexity of operations of the Corporation. |
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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

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| 1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance. | Compliant | Please refer to the Company's New Manual on Corporate Governance adopted in May 2017. | |
| 2. Board ensures that basic shareholder rights are disclosed on the company's website. | Compliant | Please refer to the Company's website (mabuhayholdingscorp.com). | |

Supplement to Recommendation 13.1

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| 1. Company's common share has one vote for one share. | Compliant | Please refer to the Company's New Manual on Corporate Governance adopted s in May 2017 and the Corporation's by-laws. | |
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| 2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights. | Compliant | The Corporation only has common shares and adopts the principle of "one share, one vote". | |
| 3. Board has an effective, secure, and efficient voting system. | Compliant | Please refer to the Company's New Manual on Corporate Governance adopted s in May 2017, the Corporation's by-laws and Definitive Information Statement. | |
| 4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders. | Compliant | Please refer to the Company's New Manual on Corporate Governance adopted s in May 2017, the Corporation's by-laws and Definitive Information Statement. | |
| 5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting. | Compliant | Please refer to the Company's New Manual on Corporate Governance adopted s in May 2017, the Corporation's by-laws and Definitive Information Statement. | |
| 6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders. | Compliant | Please refer to the Company's New Manual on Corporate Governance adopted s in May 2017, the Corporation's by-laws and Definitive Information Statement. | |
| 7. Company has a transparent and specific dividend policy. | Compliant | Please refer to the Company's New Manual on Corporate Governance adopted s in May 2017, the Corporation's by-laws and Definitive Information Statement. | |
| Optional: Recommendation 13.1 | | | |
| 1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting. | | Identify the independent party that counted/validated the votes at the ASM, if any. | |
| Recommendation 13.2 | | | |

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| 1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting. | Compliant | <p>The Board endeavors to send the notice of annual stockholders' meeting or special stockholders' meeting with sufficient and relevant information at least 28 days before the actual meeting.</p> <p>Shareholders' approval of remuneration or any changes therein, if applicable, are included in the agenda of the meeting.</p> <p>Please refer to the Corporation Definitive Information Statement (SEC Form 20-IS).</p> | |
| Supplemental to Recommendation 13.2 | | | |
| 1. Company's Notice of Annual Stockholders' Meeting contains the following information: | Compliant | Please refer to the Corporation Definitive Information Statement (SEC Form 20-IS). | |
| a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies) | Compliant | Please refer to the Corporation Definitive Information Statement (SEC Form 20-IS). | |
| b. Auditors seeking appointment/re-appointment | Compliant | Please refer to the Corporation Definitive Information Statement (SEC Form 20-IS). | |
| c. Proxy documents | Compliant | Please refer to the Corporation Definitive Information Statement (SEC Form 20-IS). | |
| Optional: Recommendation 13.2 | | | |
| 1. Company provides rationale for the agenda items for the annual stockholders meeting | Compliant | Please refer to the Corporation Definitive Information Statement (SEC Form 20-IS). | |
| Recommendation 13.3 | | | |

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| 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 | Please refer to the Corporation Definitive Information Statement (SEC Form 20-IS). | |
| 2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting. | Compliant | Please refer to the Corporation Definitive Information Statement (SEC Form 20-IS) and the Company's website (mabuhayholdings.corp) | |
| 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 | The Corporation's external auditor is present for the conduct of the ASM and/or special meeting. Please refer to the Corporation Definitive Information Statement (SEC Form 20-IS). | |
| 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 | Please refer to the Company's New Manual on Corporate Governance adopted in May 2017. | |
| 2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance. | Compliant | Please refer to the Company's New Manual on Corporate Governance adopted in May 2017. | |
| Recommendation 13.5 | | | |
| 1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders. | Non-Compliant | | Board shall review and consider establishing an Investor Relations Office (IRO). |

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| 2. IRO is present at every shareholder's meeting. | Non-Compliant | | |
| 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 | The Corporation adopts a one share, one vote policy. Thus, minority is adequately represented in shareholder actions. Please see the Corporation's by-laws and Manual on Corporate Governance. | |
| 2. Company has at least thirty percent (30%) public float to increase liquidity in the market. | Compliant | The company's public float as of December 31, 2018 is 35.85%. | |
| Optional: Principle 13 | | | |
| 1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting | | Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM | |
| 2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting. | | Disclose the process and procedure for secure electronic voting in absentia, if any. | |
| Duties to Stakeholders | | | |
| Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights. | | | |
| Recommendation 14.1 | | | |
| 1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability. | Compliant | Please refer to the Company's New Manual on Corporate Governance adopted May 2017, Definitive Information Statement and Annual Report for year 2018. | |
| Recommendation 14.2 | | | |

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| 1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders. | Compliant | Please refer to the Company's New Manual on Corporate Governance adopted May 2017, Definitive Information Statement and Annual Report for year 2018. | |
| 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 | Please refer to the Company's New Manual on Corporate Governance adopted May 2017, Definitive Information Statement and Annual Report for year 2018. | |
| 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 | Please refer to the Company's New Manual on Corporate Governance adopted May 2017, Definitive Information Statement and Annual Report for year 2018. | |
| 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 | Please refer to the Company's New Manual on Corporate Governance adopted May 2017, Definitive Information Statement and Annual Report for year 2018. | |
| 2. Company respects intellectual property rights. | Compliant | Please refer to the Company's website (mabuhayholdingscorp.com). | |
| Optional: Principle 14 | | | |

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| 1. Company discloses its policies and practices that address customers' welfare | | Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same. | |
| 2. Company discloses its policies and practices that address supplier/contractor selection procedures | | Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same. | |

Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.

Recommendation 15.1

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| 1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance. | Compliant | Please refer to the Company's New Manual on Corporate Governance adopted May 2017, Definitive Information Statement and Annual Report for year 2018. | |
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Supplement to Recommendation 15.1

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|------------------------------------------------------------------------------------------------------------------------------------|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| 1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures. | Compliant | Please refer to the Company's New Manual on Corporate Governance adopted May 2017, Definitive Information Statement and Annual Report for year 2018. | |
| 2. Company has policies and practices on health, safety and welfare of its employees. | Compliant | Please refer to the Company's New Manual on Corporate Governance adopted May 2017, Definitive Information Statement and Annual Report for year 2018. | |
| 3. Company has policies and practices on training and development of its employees. | Compliant | Please refer to the Company's New Manual on Corporate Governance adopted May 2017, Definitive Information Statement and Annual Report for year 2018. | |

Recommendation 15.2

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| 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 | Please refer to the Company's New Manual on Corporate Governance adopted May 2017, Definitive Information Statement and Annual Report for year 2018. | |
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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 | Please refer to the Company's New Manual on Corporate Governance adopted May 2017, Definitive Information Statement and Annual Report for year 2018. | |
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Supplement to Recommendation 15.2

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| 1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes. | Compliant | Please refer to the Company's New Manual on Corporate Governance adopted May 2017, Definitive Information Statement and Annual Report for year 2018. | |
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Recommendation 15.3

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| 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 | Non-Compliant | Please refer to the Company's New Manual on Corporate Governance adopted May 2017, Definitive Information Statement and Annual Report for year 2018. | Board shall review and consider establishing a framework for whistleblowing. |
| 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. | Non-Compliant | Please refer to the Company's New Manual on Corporate Governance adopted May 2017, Definitive Information Statement and Annual Report for year 2018. | |
| 3. Board supervises and ensures the enforcement of the whistleblowing framework. | Non-Compliant | Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing. | |

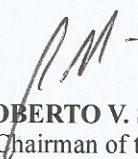
Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

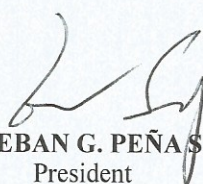
Recommendation 16.1

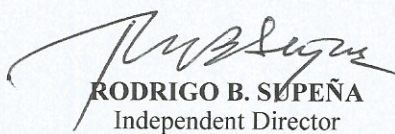
| | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <p>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.</p> | <p>Compliant</p> | <p>Please refer to the Company's New Manual on Corporate Governance adopted May 2017, Definitive Information Statement and Annual Report for year 2018.</p> | |
| <p>Optional: Principle 16</p> | | | |
| <p>1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development</p> | | <p>Identify or provide link/reference to policies, programs and practices to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development.</p> | |
| <p>2. Company exerts effort to interact positively with the communities in which it operates</p> | | <p>Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.</p> | |

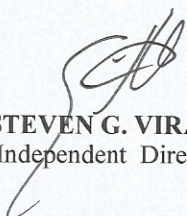
Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Makati on May 16, 2019.

SIGNATURES

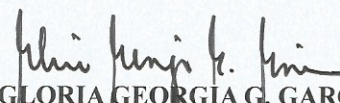

ROBERTO V. SAN JOSE
Chairman of the Board


ESTEBAN G. PEÑA SY
President


RODRIGO B. SULEÑA
Independent Director


STEVEN G. VIRATA
Independent Director


DELFIN PANGCAO
Corporate Secretary


GLORIA GEORGIA G. GARCIA
Compliance Officer

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)

MAY 16 2019

SUBSCRIBED AND SWORN TO before me, a Notary Public, for and in Makati City, this _____ day of May 2019, affiants exhibiting to me their Community Tax Certificates/Passports/Driver's License, as follows:

| Affiant | Passport No. | Date of Issue | Place of Issue |
|--------------------------|--------------|--------------------|-------------------|
| Roberto V. San Jose | P1329913A | December 20, 2016 | DFANCR South |
| Esteban G. Peña Sy | P8276657A | August 09, 2018 | DFA NCR Central |
| Rodrigo B. Supeña | PO230546A | September 9, 2016 | DFA NCR East |
| Steven G. Virata | EC5424311 | September 22, 2015 | DFA Angeles |
| Delfin P. Angcao | P0113420A | August 31, 2016 | DFA Manila |
| Gloria Georgia G. Garcia | P8316836A | August 11, 2018 | DFA NCR NorthEast |

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Page No. 62
Book No. 251
Series of 2019.

ATTY. GERVACIO B. ORTIZ JR.
Notary Public Makati City
Until Dec. 31, 2019
Appointment No. M-183 (2019-2020)
PTR No. 7333104 Jan. 3, 2019/Makati
IBP Lifetime No. 656155 Roll No. 40091
MCLE Compliance No. V-0006934
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City