



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **31 December 2023**
2. SEC Identification Number **CS200411461**
3. BIR Tax Identification No. **232-715-069-000**
4. Exact name of issuer as specified in its charter **MEGAWIDE CONSTRUCTION CORPORATION**
5. **Philippines**
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. **No. 20 N. Domingo Street, Barangay Valencia, Quezon City** **1112**
Address of principal office Postal Code
8. **(02) 8655-1111**
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 | During the 2023 Annual Stockholders' Meeting ("ASM") of Megawide Construction Corporation ("Megawide" or the "Company") on 12 July 2023, the stockholders of Megawide elected the following members to its Board of Directors ("Board"), who have the working knowledge, experience, or expertise relevant to its industry: | |
| 2. Board has an appropriate mix of competence and expertise. | Compliant | <ul style="list-style-type: none"> a. Mr Edgar B. Saavedra – <i>Executive Director</i>; b. Mr. Manuel Louie B. Ferrer – <i>Executive Director</i>; c. Mr. Ramon H. Diaz – <i>Executive Director</i>; d. Mr. Oliver Y. Tan – <i>Non-Executive Director</i>; e. Ret. Chief Justice Hilario G. Davide, Jr. – <i>Independent Director</i>; f. Mr. Celso P. Vivas – <i>Independent Director</i>; and <p align="center">(the "Directors").</p> <p>The elected members of the Board are provided for in the Minutes of the 2023 ASM.</p> <p>Please see pages 4 to 5 of the Minutes of the 2023 ASM: click to open</p> <p>They are also listed in the results of the 2023 ASM which was initially disclosed in the Philippine Stock Exchange, Inc. ("PSE") Edge portal ("PSE Edge") on 13 July 2023 (click to open) and subsequently amended on 27 July 2023 (click to open).</p> <p>The work experience, qualifications, and expertise of the Directors are stated in the Company's Definitive Information Statement for the 2023 ASM, the Securities and Exchange Commission (the "SEC") Annual Report (or SEC Form 17-A) for the period ended 31 December 2023, and the Annual and Sustainability Report for the full year of 2022*.</p> | |

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| | | <p><i>*The Company Annual and Sustainability Report for the full year of 2023 is still being finalized given that its 2024 ASM is on 3 July 2024. This will be available in the Company's website under Company Disclosures > Annual Stockholders' Report.</i></p> <p>Please see pages 11 to 14 of the 2023 Definitive Information Statement: click to open</p> <p>Please see pages 79 to 82 of the Annual Report (or SEC Form 17-A): click to open</p> <p>Please see pages 43 to 45 of the Annual and Sustainability Report: click to open</p> <p>The profiles of the Board are also available on the Company's website: click to open</p> | |
| 3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization. | Compliant | <p>It can be noted from the work experience, qualifications, and expertise of the Directors that they continuously possess the necessary and appropriate mix of competencies and skills, which are relevant to the Company's industry.</p> <p>Moreover, Megawide's Manual on Corporate Governance on Corporate Governance provides that the Board shall be composed of Directors with a collective working knowledge, experience, or expertise that is relevant to its industry/sector. The Board shall always ensure that it has an appropriate mix of competence and expertise, and that its members remain qualified for their positions individually and collectively, to enable it to fulfill its roles and responsibilities and respond to the needs of Megawide based on the evolving business environment and strategic direction.</p> <p>Please see page 8, Section (VI) (1) (b), of the Manual on Corporate Governance: click to open</p> <p>The Directors remain qualified for their positions throughout their tenure. The Board's Governance, Nominations, and Compensation Committee monitors the qualifications of the Directors and the grounds for the disqualification of the Directors.</p> <p>Please see page 2, letter B, of the Governance, Nominations, and Compensation Committee Charter: click to open</p> | |
| Recommendation 1.2 | | | |
| 1. Board is composed of a majority of non-executive directors. | Non-compliant | <p>As can be seen from the Minutes of the 2023 ASM, the Board is composed of three (3) Executive Directors, one (1) Non-Executive Director, and two (2) Independent Directors, as follows:</p> <ul style="list-style-type: none"> a. Mr Edgar B. Saavedra – <i>Executive Director</i>; b. Mr. Manuel Louie B. Ferrer – <i>Executive Director</i>; | |

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| | | <p>c. Mr. Ramon H. Diaz – <i>Executive Director</i>;</p> <p>d. Mr. Oliver Y. Tan – <i>Non-Executive Director</i>;</p> <p>e. Ret. Chief Justice Hilario G. Davide, Jr. – <i>Independent Director</i>; and</p> <p>f. Mr. Celso P. Vivas – <i>Independent Director</i>.</p> <p>Please see pages 4 to 5 of the Minutes of the 2023 ASM: click to open</p> <p>This is also apparent from the Company’s 2023 Definitive Information Statement, Annual Report (or SEC Form 17-A), and Annual and Sustainability Report.</p> <p>Please see pages 11 to 14 of the 2023 Definitive Information Statement: click to open</p> <p>Please see pages 79 to 82 of the Annual Report (or SEC Form 17-A): click to open</p> <p>Please see pages 43 to 45 of the Annual and Sustainability Report: click to open</p> <p>The profiles of the Board are also available in the Company’s website, by clicking on the photo of each Director: click to open</p> | |
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| 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 | <p>Megawide’s Board Charter and Manual on Corporate Governance state the Company’s policy on providing relevant training to its Directors covering topics on corporate governance mandated by the SEC, including an orientation program for first time Directors and annual training for all Directors, which shall be conducted by a government institution, or a private institution duly accredited by the SEC.</p> <p>Please see pages 8 to 9, letter c, of the Manual on Corporate Governance: click to open</p> <p>Please see page 10, Article XI, Section 2, of the Board Charter: click to open</p> <p>Furthermore, the Governance, Nominations, and Compensation Committee was created by the Board to ensure that a system is adopted on the training of Directors which shall include an orientation program for first time Directors and relevant annual continuing training for all Directors. The orientation program shall cover topics on corporate governance mandated by the SEC and an introduction to the Company’s business, corporate/charter documents, and Company policies. Meanwhile, annual seminars and/or trainings shall concern courses on corporate governance matters relevant to the Company, including audit, internal control, risk management, sustainability, and strategy.</p> | |
| 2. Company has an orientation program for first time directors. | Compliant | | |
| 3. Company has relevant annual continuing training for all directors. | Compliant | | |

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| | | <p>Please see letter A of the Governance, Nominations, and Compensation Committee Charter: click to open</p> <p>Should a first-time Director be elected in the Board, Megawide shall provide the necessary orientation program.</p> <p>In fulfillment of the Company’s policy on providing annual continuing training programs and the requirements of SEC Memorandum Circular No. 20, Series of 2013, the Company organized a corporate governance training with the Institute of Corporate Directors entitled, “Advance Corporate Governance Training”. The said training was held virtually through Microsoft Teams on 01 December 2022. It was attended by the Company’s Directors and senior management.</p> <p>Please see the Certificates of Participation of the Directors and the senior management: click to open</p> <p>The Company has already received a list of the available courses on corporate governance training from the Institute of Corporate Directors and is currently coordinating with the latter for the next corporate governance training sessions to be held in 2024.</p> | |
| Recommendation 1.4 | | | |
| <p>1. Board has a policy on board diversity.</p> | <p>Compliant</p> | <p>The Company’s policy on Board diversity is emphasized in the Manual on Corporate Governance and the Board Charter, which state that the Company aims to maintain a Board comprised of talented and dedicated Directors with a diverse mix of expertise, experience, skills, and backgrounds, which shall reflect the diverse nature of the business environment in which the Company operates.</p> <p>Please see page 9, letter d, of the Manual on Corporate Governance: click to open</p> <p>Please see page 1, Article I, Section 1, of the Board Charter: click to open</p> <p>Megawide believes that its Board is composed of members with diverse skills and experiences which are relevant to the business and growth of the Company, as evidenced by their backgrounds, skills, qualifications, and expertise as provided in its 2023 Information Statement, Annual Report (or SEC Form 17-A), and Annual and Sustainability Report.</p> <p>Please see pages 11 to 14 of the 2023 Definitive Information Statement: click to open</p> <p>Please see pages 79 to 82 of the Annual Report (or SEC Form 17-A): click to open</p> | |

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| | | <p>Please see pages 43 to 45 of the Annual and Sustainability Report: click to open The profiles of the Board are also available in the Company’s website, by clicking on the photo of each Director: click to open</p> | |
| Optional: Recommendation 1.4 | | | |
| <p>1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.</p> | <p>Compliant</p> | <p>As provided in the Manual on Corporate Governance, the Company believes in diversity, and values the benefits that diversity can bring to Megawide. Thus, the Company promotes the inclusion of different perspectives and ideas, which mitigates against group thinking and ensures that the Company has the opportunity to benefit from all available talent. The Company aims to maintain a Board comprised of talented and dedicated Directors with a diverse mix of expertise, experience, skills, and backgrounds, which shall reflect the diverse nature of the business environment in which the Company operates. For purposes of Board composition, diversity includes, but is not limited to, competence, business experience, geography, age, and gender.</p> <p>Please see page 9, letter d, of the Manual on Corporate Governance: click to open</p> <p>Furthermore, the Governance, Nominations, and Compensation Committee is mandated by the Board to:</p> <p>“Develop a criterion for identifying, selecting, and evaluating candidates for the Board, including guidelines for assessing their independence. Amongst these criteria are desired board skills and attributes, business and management experience, diversity of talents, backgrounds, perspectives, ability to devote the time and effort necessary to fulfill the responsibilities as a Board member, and familiarity with the business and relevant regulatory requirements.”</p> <p>Please see page 2, letter B (1), of the Governance, Nominations, and Compensation Committee Charter: click to open</p> <p>In this regard, the Company is able to ensure that the Governance, Nominations, and Compensation Committee fulfills its functions through the conduct of the Board self-evaluation. The Board discussed the results of the annual Board self-evaluation for 2021 during the regular meeting of the Governance, Nominations, and Compensation Committee held last 04 March 2022.</p> <p>For reference, please see the Company’s Board Self-Evaluation Policy: click to open</p> | |
| Recommendation 1.5 | | | |

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| <p>1. Board is assisted by a Corporate Secretary.</p> | <p>Compliant</p> | <p>The Board is assisted by the Corporate Secretary, Atty. Teodulo Antonio G. San Juan, Jr., who was elected as Corporate Secretary on 12 July 2023 during the 2023 Organizational Meeting of the Board.</p> <p>Please see the results of the 2023 Organizational Meeting of the Board: click to open</p> <p>His profile is available in the Annual Report (or SEC Form 17-A).</p> <p>Please see page 85 to 86 of the Annual Report (or SEC Form 17-A): click to open</p> | |
| <p>2. Corporate Secretary is a separate individual from the Compliance Officer.</p> | <p>Compliant</p> | <p>The Compliance Officer of the Company is Atty. Raymund Jay S. Gomez. He was initially designated as Compliance Officer during the meeting of the Board held on 07 August 2018, as disclosed through the PSE Edge portal: click to open</p> <p>Atty. Gomez has been the Compliance Officer of the Company up to the present date.</p> <p>Please see results of the 2023 Organizational Meeting of the Board: click to open</p> <p>The Management Team of the Company is also posted in its website, which clearly shows that the Corporate Secretary is a separate individual from the Compliance Officer: click to open</p> | |
| <p>3. Corporate Secretary is not a member of the Board of Directors.</p> | <p>Compliant</p> | <p>Atty. Teodulo Antonio G. San Juan, Jr. is not a member of the Board, which is composed of Mr. Edgar B. Saavedra, Mr. Manuel Louie B. Ferrer, Mr. Oliver Y. Tan, Mr. Ramon H. Diaz, Ret. Chief Justice Hilario G. Davide, Jr., and Mr. Celso P. Vivas.</p> <p>The members of the Board are in pages 4 to 5 of the 2023 Minutes: click to open</p> <p>The members of the Board are also posted in the Company's website: click to open</p> <p>Please see pages 43 to 45 of the Annual and Sustainability Report: click to open</p> | |
| <p>4. Corporate Secretary attends training/s on corporate governance.</p> | <p>Non-compliant</p> | <p>Atty. Al-Shwaid Ismael* attended a training seminar on corporate governance last February 17, 2023.</p> <p>*Tenure ended July 12, 2023.</p> | |

| Optional: Recommendation 1.5 | | | |
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| 1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting. | Compliant | <p>The Corporate Secretary and the Assistant Corporate Secretary distribute materials for Board meetings at least five (5) business days before all scheduled meetings.</p> <p>This is certified by the Corporate Secretary in a Secretary's Certificate dated 30 January 2024: click to open</p> | |
| Recommendation 1.6 | | | |
| 1. Board is assisted by a Compliance Officer. | Compliant | <p>The Board is assisted by its Compliance Officer, Atty. Raymund Jay S. Gomez, who was initially appointed by the Board on 07 August 2018. Atty. Gomez is also the Chief Legal Officer and Data Protection Officer of the Company.</p> <p>Please see the PSE disclosure dated 07 August 2018: click to open</p> <p>Since his initial election on 07 August 2018, Atty. Gomez has continuously been the Compliance Officer of the Company. His most recent election as Compliance Officer was during the 2023 Organizational Meeting of the Board.</p> <p>Please see the results of the 2023 Organizational Meeting of the Board: click to open</p> <p>His profile is available in the 2023 Definitive Information Statement and the Annual Report (or SEC Form 17-A).</p> <p>Please see page 14 of the 2023 Definitive Information Statement: click to open</p> <p>Please see pages 82 to 83 of the Annual Report (or SEC Form 17-A): click to open</p> | |
| 2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation. | Compliant | <p>The Company's Compliance Officer, Atty. Raymund Jay S. Gomez, has a rank of Senior Vice President. He is also the Chief Legal Officer and Data Protection Officer of the Company.</p> <p>The designation of Atty. Gomez as Chief Legal Officer, Compliance Officer, and Data Protection Officer may also be seen in the Company's website: click to open</p> | |
| 3. Compliance Officer is not a member of the board. | Compliant | <p>Atty. Raymund Jay S. Gomez is not a member of the Board which is composed of Mr. Edgar B. Saavedra, Mr. Manuel Louie B. Ferrer, Mr. Oliver Y. Tan, Mr. Ramon H. Diaz, Ret. Chief Justice Hilario G. Davide, Jr., and Mr. Celso P. Vivas.</p> | |

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| | | <p>The members of the Board are in pages 4 to 5 of the 2023 Minutes: click to open</p> <p>Please see pages 43 to 45 of the Annual and Sustainability Report: click to open</p> | |
| 4. Compliance Officer attends training/s on corporate governance. | Compliant | <p>Atty. Raymund Jay S. Gomez attended a corporate governance training conducted by the Company, with the Institute of Corporate Directors, on 01 December 2022, entitled, “Advanced Corporate Governance Training”.</p> <p>Please see the Certificate of Participation of Atty. Gomez: click to open</p> <p>The Company has already received a list of the available courses on corporate governance training from the Institute of Corporate Directors and is currently coordinating with the latter for the corporate governance training sessions to be held in 2024.</p> | |

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

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 | <p>In accordance with its duties and functions under the Manual on Corporate Governance, the Board shall always act (and has always acted) on a fully informed basis, in good faith, with due diligence and care, and in the best interest of Megawide.</p> <p>Please see page 10, number 2, of the Manual on Corporate Governance: click to open</p> <p>Please see pages 115 to 117 of the Annual and Sustainability Report on the Responsibilities of the Board: click to open</p> <p>This is also evident from the Board’s diligent attendance and active participation in the Company’s Board and Board Committee meetings.</p> <p>Please see pages 87 to 88 of the Annual Report (or SEC Form 17-A) for the attendance of Directors in the Board and Board Committee meetings in 2023: click to open</p> <p>Moreover, the Corporate Secretary has issued a Secretary’s Certificate on the attendance of Directors in the Board and Board Committee meetings in 2023: click to open</p> | |
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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 | <p>Under the Manual on Corporate Governance and the Board Charter, it is the Board's responsibility to oversee the development of, and approve the Company's business objectives and strategy, and monitor their implementation.</p> <p>Please see page 11, letter b, of the Manual on Corporate Governance: click to open</p> | |
| 2. Board oversees and monitors the implementation of the company's business objectives and strategy. | Compliant | <p>Please see page 7, Article IX, Section 1(b), of the Board Charter: click to open</p> <p>In this regard, the Chairman of the Board, Chief Executive Officer, and President of Megawide, Mr. Edgar B. Saavedra, regularly presents to the Board the strategic plan and annual operating plan of the Company for its review and approval. Thereafter, the Board and/or its committees, monitors the implementation of such plans through reports and updates made by management.</p> <p>Please see pages 115 to 117 of the Annual and Sustainability Report on the Responsibilities of the Board: click to open</p> | |
| Supplement to Recommendation 2.2 | | | |
| 1. Board has a clearly defined and updated vision, mission and core values. | Compliant | <p>In 2019, the Board updated the Company's vision, mission, and core values, which are stated in the About Us page of the Company's website: click to open</p> <p>The Corporate Governance portion of the Annual Report (or SEC Form 17-A) states that the Company's new vision, mission, and core values were launched in 2019.</p> <p>Please see page 95, number 6 of the Annual Report (or SEC Form 17-A): click to open</p> <p>The Board regularly reviews the vision, mission, and core values of the Company.</p> <p>The Annual and Sustainability Report also discusses how the Company implemented its vision, mission, and core values: click to open</p> | |
| 2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture. | Compliant | <p>The Manual on Corporate Governance and the Board Charter mandate that the Board shall provide sound strategic policies and guidelines to the Company on major capital expenditures, periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budgets, and management's overall performance.</p> <p>Please see page 11, letter e, of the Manual on Corporate Governance: click to open</p> | |

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| | | <p>Please see page 7, Article IX, Section 1(e), of the Board Charter: click to open</p> <p>Additionally, the Board receives and properly evaluates the progress reports made by the Company’s senior management on the execution of strategic plans, financial performance of the business, and in general, other matters related to the roles and responsibilities of the Board.</p> <p>Please see page 12, letter u, of the Manual on Corporate Governance: click to open</p> <p>Please see page 9, Article IX, Section 1(u), of the Board Charter: click to open</p> <p>Mr. Edgar B. Saavedra, <i>Chairman of the Board, Chief Executive Officer, and President</i>, also makes certain that every Board meeting agenda focuses on strategic matters, including the overall risk appetite of the Company, considering the developments in business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations.</p> <p>Please see page 16, subsection i, of the Manual on Corporate Governance: click to open</p> <p>Please see page 9, Article X (1) (a), of the Board Charter: click to open</p> <p>Moreover, the Board is supported by the following Board committees in assessing the performance of management and in ensuring that the Company’s strategies are executed:</p> <ul style="list-style-type: none"> a. Executive Committee; b. Finance Committee; c. Audit and Compliance Committee; d. Governance, Nominations, and Compensation Committee; and e. Board Risk Oversight Committee. <p>Please see pages 115 to 117 of the Annual and Sustainability Report on the Responsibilities of the Board: click to open</p> | |
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| Recommendation 2.3 | | | |
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| <p>1. Board is headed by a competent and qualified Chairperson.</p> | <p>Compliant</p> | <p>The <i>Chairman of the Board, Chief Executive Officer, and President</i>, Mr. Edgar B. Saavedra, is an engineer and one of the founders of Megawide. He is personally responsible for leading the Company’s diverse construction and infrastructure projects. His experience in the industry spans over twenty (20) years.</p> <p>Mr. Saavedra’s profile is provided in the 2023 Definitive Information Statement, Annual Report (or SEC Form 17-A), Annual and Sustainability Report, and Megawide’s website.</p> | |
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| | | <p>Please see pages 11 of the 2023 Definitive Information Statement: click to open</p> <p>Please see page 79 of the Annual Report (or SEC Form 17-A): click to open</p> <p>Please see page 43 of the Annual and Sustainability Report: click to open</p> <p>Please see Megawide’s website: click to open</p> | |
| Recommendation 2.4 | | | |
| 1. Board ensures and adopts an effective succession planning program for directors, key officers, and management. | Compliant | The Company’s Manual on Corporate Governance and the Board Charter state that the Board shall adopt and implement an effective succession program for Directors and management to ensure growth and continued increase in shareholders’ value. This will include adopting a policy on the retirement age of Directors and key officers as part of the Company’s management succession. | |
| 2. Board adopts a policy on the retirement for directors and key officers. | Compliant | <p>Please see page 13, letter aa, of the Manual on Corporate Governance: click to open</p> <p>Please see page 9, Article IX, Section 1(aa), of the Board Charter: click to open</p> <p>The Governance, Nominations, and Compensation Committee has been tasked by the Board to oversee and evaluate the Company’s human resource planning process and succession plans for the Chief Executive Officer and other senior executive positions, as well as recommend for Board approval short-listed candidates for these positions. The Governance, Nominations, and Compensation Committee shall also establish and review annually the emergency succession plan for the Chief Executive Officer and other senior executive positions.</p> <p>Please see letter C, numbers 1 and 2, of the Governance, Nominations, and Compensation Committee Charter: click to open</p> | |
| Recommendation 2.5 | | | |
| 1. Board aligns the remuneration of key officers and board members with long-term interests of the company. | Compliant | The Manual on Corporate Governance and the Board Charter state that in setting the remuneration of management and Directors, the long-term interest of Megawide shall be taken into account. In doing so, it shall formulate and adopt a policy specifying the relationship between remuneration and performance. Furthermore, no Director shall participate in discussions or deliberation involving his own remuneration. | |
| 2. Board adopts a policy specifying the relationship | Compliant | | |

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| between remuneration and performance. | | Please see page 12, letter t, of the Manual on Corporate Governance: click to open | |
| 3. Directors do not participate in discussions or deliberations involving his/her own remuneration. | Compliant | <p>Please see page 9, Article IX, Section 1(t), of the Board Charter: click to open</p> <p>Moreover, the Governance, Nominations, and Compensation Committee has been tasked by the Board to oversee the Company's succession plan and remuneration policy: click to open</p> <p>A brief description of the retirement benefits granted by the Company are discussed in the Annual Report (or SEC Form 17-A).</p> <p>Please see page 90 of the Annual Report (or SEC Form 17-A): click to open</p> | |
| Optional: Recommendation 2.5 | | | |
| 1. Board approves the remuneration of senior executives. | Compliant | Through the Governance, Nominations, and Compensation Committee, the Board shall oversee the establishment and administration of the Company's compensation program and align the remuneration of key officers and Board members with its long-term interests. The Governance, Nominations, and Compensation Committee shall formulate and adopt a policy specifying the relationship between remuneration and performance. | |
| 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. | Compliant | <p>Please see letter C of the Governance, Nominations, and Compensation Committee Charter: click to open</p> <p>The Governance, Nominations, and Compensation Committee regularly reviews the remuneration guidelines of the Human Resources Departments of the Company. The said guidelines are based on industry standards.</p> | |
| Recommendation 2.6 | | | |
| 1. Board has a formal and transparent board nomination and election policy. | Compliant | The Manual on Corporate Governance and the Board Charter provide that the Board, through the Governance, Nominations, and Compensation Committee, will have a formal and transparent Board nomination and election policy that will include how it accepts nominations from minority shareholders. The said policy will also include an assessment of the effectiveness of the Board's processes and procedures for the nomination, election, or replacement of a Director. | |
| 2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance on Corporate Governance. | Compliant | Please see page 11, number 2 (a), of the Manual on Corporate Governance: click to open | |
| 3. Board nomination and election policy includes how the | Compliant | Please see page 7, Article IX, Section 1 (a), of the Board Charter: click to open | |

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| company accepted nominations from minority shareholders. | | The Board's effectiveness is evaluated through the Board Self-Evaluation Policy: click to open | |
| 4. Board nomination and election policy includes how the board shortlists candidates. | Compliant | Pursuant to its Charter, the Governance, Nominations, and Compensation Committee shall implement and oversee the Company's election and nomination policy. | |
| 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 | Please see the letter B of the Governance, Nominations, and Compensation Committee Charter: click to open | |
| 6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company. | Compliant | The process on how the Company accepted and selected nominees for its Directors for 2023 is available on page 11 of the 2023 Definitive Information Statement: click to open | |
| 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. | Compliant | The Company has engaged several search firms, such as Capman Consulting, Ward Howell, Global Executive Solutions Group, Viventis, Asia Select, and Curran Daly & Associates to assist it in finding the right candidates for its senior executive positions and for the members of its Board. | |
| 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 | The Board has adopted a Related Party Transactions Policy which shall be enforced and monitored by the Board, with the assistance of the Audit and Compliance Committee. A review of the Related Party Transactions Policy shows that it covers all entities within the Megawide group and provides for the identification and review, the thresholds, and the process for approval of Related Party Transactions. In 2019, the Company introduced changes to its Related Party Transactions Policy in compliance with SEC Memorandum Circular No. 10, Series of 2019, which was approved by the Board on 02 September 2019. | |
| 2. RPT policy includes appropriate review and approval of material RPTs, | Compliant | Please see Related Party Transactions Policy: click to open | |

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| <p>which guarantee fairness and transparency of the transactions.</p> | | <p>The Company's Related Party Transactions in 2023 are enumerated in Megawide's Annual Report (or SEC Form 17-A) and 2023 Audited Financial Statements.</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>Please see pages 93 to 94, item 11, of the Annual Report (or SEC Form 17-A): click to open</p> <p>Please see Note 28 click to open of the 2023 Audited Financial Statements.</p> <p>In accordance with SEC Memorandum Circular No.10 series 2019, the Company disclosed its related party transaction with its substantial shareholder Citicore Holdings Investment Inc, the acquisition of PH1 World Developers Inc., last July 12, 2023. In sum, Citicore Holdings Investment Inc. sold, transferred and conveyed to the Company 100% of the total issued and outstanding capital stock of PH 1 World Developer Inc, in accordance with the terms and conditions of the definitive agreements signed last July 12, 2023.</p> <p>Please refer to the disclosure of the transaction: click to open</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 Related Party Transactions Policy, as approved by the Board, clearly defines the thresholds and categories for the disclosure and approval of Related Party Transactions. Under the Related Party Transactions Policy, Material Related Party Transactions pertain to transactions between and among related parties, either individually, or in aggregate over a twelve (12)-month period with a total contractual value exceeding one percent (1%) of the total consolidated assets of the Company regardless of how the payment terms of the contract are structured.</p> <p>The Audit and Compliance Committee is granted the authority to review Related Party Transactions. Meanwhile, Related Party Transactions falling within the following thresholds shall require the approval of the Chief Executive Officer and/or President or the Board, as the case may be:</p> <ul style="list-style-type: none"> • Ten Million Pesos (PhP 10,000,000.00) up to one percent (1%) of the value of the total consolidated assets of the Company, requires approval of the Chief Executive Officer and/or President; • exceeding one percent (1%) of the value of the total consolidated assets of the Company, requires approval of the Board; and • regardless of the amount, if involving Directors and/or officers, requires the approval of the Board. | |

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| | | <p>Please see page 4, Section VI (1), of the Related Party Transactions Policy: click to open</p> <p>As stated above, the Company's Related Party Transactions are disclosed and reported in the Company's filings with the SEC and the PSE.</p> | |
| <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> | Compliant | <p>The Related Party Transactions Policy provides that all Material Related Party Transactions and Related Party Transactions involving Directors and/or officers shall be approved by at least the two-thirds (2/3) vote of the Board, with at least a majority of the Independent Directors voting to approve the Material Related Party Transactions and Related Party Transactions involving Directors and/or officers. In case that a majority of the Independent Directors' vote is not secured, the Material Related Party Transactions and Related Party Transactions involving Directors and/or officers shall be ratified by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock.</p> <p>Please see page 5, Section VIII (5), of the Related Party Transactions Policy: click to open</p> | |
| Recommendation 2.8 | | | |
| <p>1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p> | Compliant | <p>It is one of the Board's primary responsibilities under the Manual on Corporate Governance and the Board Charter to approve the selection of senior management as led by the Chief Executive Officer, and the heads of the other control functions, such as the Chief Risk Officer, Compliance Officer, and Chief Audit Executive.</p> <p>Please see page 12, letter q, of the Manual on Corporate Governance: click to open</p> <p>Please see page 8, Article IX, Section 1(q), of the Board Charter: click to open</p> <p>Further, the Governance, Nominations, and Compensation Committee is mandated by the Board to oversee and evaluate the Company's human resource planning process and succession plans for the Chief Executive Officer and other senior executive positions, as well as recommend for Board approval short-listed candidates for these positions.</p> <p>Please see page 3, letter C (1), of the Governance, Nominations, and Compensation Committee Charter: click to open</p> <p>In this regard, the Governance, Nominations, and Compensation Committee is actively engaged in screening, selecting, and interviewing candidates for the Company's senior executive positions and heads of its control functions, for the subsequent approval of the Board.</p> | |

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| | | <p>Moreover, the Board, during its Organizational Meetings, elected the heads of its control functions and senior executives.</p> <p>Please see the results of the 2023 Organizational Meeting of the Board: click to open</p> | |
| <p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer, and Chief Audit Executive).</p> | Compliant | <p>Under the Manual on Corporate Governance and the Board Charter, the Board is primarily responsible for assessing the performance of senior management, as led by the Chief Executive Officer, and the heads of the other control functions.</p> <p>Please see page 12, letter q, of the Manual on Corporate Governance: click to open</p> <p>Please see page 8, Article IX, Section 1(q), of the Board Charter: click to open</p> <p>As part of its duties and responsibilities, the Governance, Nominations, and Compensation Committee assists the Board in assessing the performance of the Company's senior management and the heads of the other control functions.</p> <p>Please see letter C of the Governance, Nominations, and Compensation Committee Charter: click to open</p> <p>Please also see pages 115 to 117 of the Annual and Sustainability Report on the Responsibilities of the Board: click to open</p> | |
| Recommendation 2.9 | | | |
| <p>1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.</p> | Compliant | <p>For the appraisal of management and personnel, the Company has a HuManEdge website/account where the performance management framework and/or employees' (rank and file to managerial) key performance indicators and evaluations are found. Unfortunately, this is only accessible internally.</p> <p>Please see HuManEdge log in page of Megawide: click to open</p> | |
| <p>2. Board establishes an effective performance management framework that ensures that personnel's performance is at</p> | Compliant | <p>Additionally, the Board is able to assess the performance of management and personnel through the results of the annual balanced scorecard of every department of the Company.</p> | |

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| par with the standards set by the Board and Senior Management. | | | |
| Recommendation 2.10 | | | |
| 1. Board oversees that an appropriate internal control system is in place. | Compliant | <p>The Manual on Corporate Governance requires Megawide to have an adequate and effective internal control system.</p> <p>Please see page 19, number 12, of the Manual on Corporate Governance: click to open</p> <p>Furthermore, the Manual on Corporate Governance and the Board Charter state that the Board shall ensure that an internal control system is in place, including setting up a mechanism for monitoring and managing potential conflicts within the Board and the Company.</p> | |
| 2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members, and shareholders. | Compliant | <p>Please see page 13, letter cc, of the Manual on Corporate Governance: click to open</p> <p>Please see page 9, Article IX, Section 1(cc), of the Board Charter: click to open</p> <p>As such, the Company has adopted an Internal Audit Charter and Internal Audit Plan, which sets out the Company's internal control system.</p> <p>Please see Internal Audit Charter: click to open</p> <p>Moreover, the policies and processes implemented by the Company support its internal control system, such as the:</p> <ul style="list-style-type: none"> a. Code of Business Conduct and Ethics: click to open; b. Conflict of Interest – Supplemental Guidelines and Conflict of Interest Disclosure Form: click to open; c. Code of Conduct and Ethical Standards for Suppliers: click to open; d. Employee Code of Discipline: click to open; e. Related Party Transactions Policy: click to open; f. Anti-Fraud Policy: click to open; and g. Whistleblowing Policy: click to open. <p>The Company's internal control system allows it to monitor and manage potential conflicts of interest, as can be seen from the foregoing.</p> | |

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| | | <p>Meanwhile, the Internal Audit Department of the Company, headed by its Acting Chief Audit Executive, Ms. Zheena E. Ocampo, shall implement, manage, and monitor the Company's internal control system.</p> <p>Please see the Company's Organizational Chart: click to open</p> <p>Ms. Ocampo was appointed as the Acting Chief Audit Executive of the Company on 08 April 2021 (click to open), upon the resignation of Mr. Anthony V. Velasco, the Company's former Chief Audit Executive, which took effect on 31 December 2020 (click to open).</p> <p>The Audit and Compliance Committee and the Acting Chief Audit Executive have issued statements on the adequacy of the internal control system of the Company for the year ended 31 December 2022, found on pages 159 to 160 of the Annual and Sustainability Report: click to open</p> | |
| 3. Board approves the Internal Audit Charter. | Compliant | <p>The Company's revised Internal Audit Charter was approved by the Board on 03 June 2020. The said charter provides for a systematic and disciplined approach in evaluating and improving the Company's internal control system.</p> <p>Please see Internal Audit Charter: click to open</p> | |
| 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 Manual on Corporate Governance and the Board Charter require the Board to ensure that the Company has a sound Enterprise Risk Management framework in place to effectively identify, monitor, assess, and manage key business risks.</p> <p>Please see page 12, letter r, of the Manual on Corporate Governance: click to open</p> | |
| 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 | <p>Please see page 8, Article (IX), Section 1(r), of the Board Charter: click to open</p> <p>In this regard, the Board Risk Oversight Committee was constituted by the Board to oversee the Company's Enterprise Risk Management framework and ensure that the said system is able to identify, monitor, assess, and manage the credit, market, liquidity, operational, legal, and other risks faced by the Company and its business units.</p> <p>Please see Board Risk Oversight Committee Charter: click to open</p> <p>Furthermore, the Company has adopted an Enterprise Risk Management framework which allows it to identify key risk areas, as well as related performance indicators, and monitor these factors</p> | |

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| | | <p>with due diligence. It also enables the Company to utilize risk management strategies to anticipate and prepare for potential threats to its operational and financial viabilities.</p> <p>Please see the Enterprise Risk Management Manual: click to open</p> | |
| Recommendation 2.12 | | | |
| 1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities, and accountabilities in carrying out its fiduciary role. | Compliant | <p>The Board adopted the Board Charter on 11 June 2019, which clearly sets out its roles, responsibilities, and accountabilities in carrying out its fiduciary role. Hence, the Board Charter guides the Board in the performance of its functions.</p> <p>Please see the Article IX, Section 1, of the Board Charter: click to open</p> | |
| 2. Board Charter serves as a guide to the directors in the performance of their functions. | Compliant | <p>Furthermore, the roles, responsibilities, and accountabilities of the Board are also found in the Company's By-Laws and the Manual on Corporate Governance.</p> <p>Please see page 4, Article III, of the By-Laws: click to open</p> <p>Please see page 10, number 2, of the Manual on Corporate Governance: click to open</p> | |
| 3. Board Charter is publicly available and posted on the company's website. | Compliant | <p>The Board Charter is available on the Company's website under Corporate Governance > Company Policies.</p> <p>Please see the Board Charter: click to open</p> | |
| Additional Recommendation to Principle 2 | | | |
| 1. Board has a clear insider trading policy. | Compliant | <p>The Board has adopted an Insider Trading Policy, during its meeting held on 14 May 2018, which clearly states the Company's policy against insider trading.</p> <p>Please see the Insider Trading Policy: click to open</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 | Compliant | <p>The Company's Related Party Transactions Policy prohibits the grant of personal loans, advances, guarantees, and securities, in any manner, to its Directors and/or officers, including their spouses and other dependents.</p> <p>Please see page 4, Section V, number 8, of the Related Party Transactions Policy of the Company: click to open</p> | |

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| arm's length basis and at market rates. | | | |
| 2. Company discloses the types of decision requiring board of directors' approval. | Compliant | <p>The types of decisions requiring Board approval are listed in the Company's Board Charter, By Laws, and Manual on Corporate Governance.</p> <p>Please see page 6, Article VIII, of the Board Charter: click to open</p> <p>Please see page 4, Article III, of the By-Laws: click to open</p> <p>Please see page 10, number 2, of the Manual on Corporate Governance: click to open</p> | |

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 | <p>As stated in the Manual on Corporate Governance and the Board Charter, the Board has established the following Board Committees to aid it in the optimal performance of its roles and responsibilities:</p> <ul style="list-style-type: none"> a. Executive Committee; b. Finance Committee; c. Audit and Compliance Committee; d. Governance, Nominations, and Compensation Committee; and e. Board Risk Oversight Committee. <p>Please see page 13, number 3, of the Manual on Corporate Governance: click to open</p> <p>Please see page 4, Article IV, Section 1, of the Board Charter: click to open</p> <p>The charters of the foregoing Board Committee are attached to Manual on Corporate Governance, beginning on page 27: click to open</p> <p>The charters are also found on the Company's website under Corporate Governance > Board Committees:</p> <p>Executive Committee Charter</p> | |
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| | | Finance Committee Charter Audit and Compliance Committee Charter Governance, Nominations, and Compensation Committee Charter Board Risk Oversight Committee Charter | |
| Recommendation 3.2 | | | |
| 1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations. | Compliant | <p>The Board established the Audit and Compliance Committee and approved its charter during its Board meeting held on 14 May 2018, which shall oversee the Company's financial reporting procedure, system of internal control, audit process, and compliance with applicable laws, rules, and regulations.</p> <p>Please see the Audit and Compliance Committee Charter: click to open</p> | |
| 2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent. | Compliant | <p>The following are the members of the Audit and Compliance Committee in 2023:</p> <ul style="list-style-type: none"> a. Mr. Celso P. Vivas – <i>Chairman, Non-Executive, and Independent Director</i> b. Former Chief Justice Hilario G. Davide – <i>Vice-Chairman, Non-Executive, and Independent Director</i> c. Mr. Oliver Y. Tan – <i>Member and Non-Executive Director</i> <p>The members of the Audit and Compliance Committee in 2023 is found in the results of the 2023 Organizational Meeting of the Board: click to open</p> <p>The members of the Audit and Compliance Committee are also indicated in the Company's website under Board Committee Members: click to open</p> <p>The membership of the Audit and Compliance Committee is in accordance with its charter, which requires the Audit and Compliance Committee to be composed of a majority of Non-Executive and Independent Directors, including its Chairman.</p> <p>Please see the Committee Composition in the Audit and Compliance Committee Charter: click to open</p> <p>For reference, Megawide's elected Independent Directors in 2023 are found on pages 4 to 5 of the 2023 Minutes click to open and in the 2023 Organizational Meeting of the Board click to open.</p> | |

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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>The members of the Audit and Compliance Committee have the relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing, and finance.</p> <p>The profiles of the members of the Audit and Compliance Committee in 2023 are available in the following:</p> <p>Please see pages 11 to 14 of the 2023 Definitive Information Statement: click to open</p> <p>Please see pages 79 to 82 of the Annual Report (or SEC Form 17-A): click to open</p> <p>Please see pages 44 to 45 of the Annual and Sustainability Report: click to open</p> <p>The profiles of the members of the Audit and Compliance Committee are also available in the Company’s website, by clicking on the photo of each Director: click to open</p> | |
| <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>Under the Audit and Compliance Committee Charter, its Chairman shall not be the Chairman of any other Committee.</p> <p>Please see the Committee Composition in the Audit and Compliance Committee Charter: click to open</p> <p>It can be noted from results of the 2023 Organizational Meeting of the Board that Mr. Celso P. Vivas is the Chairman of the Audit and Compliance Committee. Moreover, he is not the Chairman of any other Committee.</p> <p>Please see the results of the 2023 Organizational Meeting of the Board: click to open</p> | |
| <p>Supplement to Recommendation 3.2</p> | | | |
| <p>1. Audit Committee approves all non-audit services conducted by the external auditor.</p> | <p>Compliant</p> | <p>One of the Audit and Compliance Committee’s responsibilities is to approve all non-audit services conducted by the external auditors. Please see Letter A, number 14, of the Audit and Compliance Committee Charter: click to open</p> <p>In this regard, the Annual Report (or SEC Form 17-A) shows the audit and non-audit services rendered by the Company’s external auditors for 2023, which were approved by the Audit and Compliance Committee. It is also explained therein the Audit and Compliance Committee’s pre-</p> | |

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| | | <p>approval policy for all audit and non-audit services to be rendered by external auditors, including the engagement fee and any other compensation to be paid to such external auditors.</p> <p>Please see page 77 of the Annual Report (or SEC Form 17-A): click to open</p> <p>Additionally, the report of the Audit and Compliance Committee to the Board provides that the Audit and Compliance Committee, in 2023, evaluated the non-audit work furnished by Punongbayan & Araullo, the Company's external auditors, including the non-audit fees paid, particularly, on its impact on the total annual audit fees and consultancy expenses of the Megawide Group.</p> <p>The said report is on page 160 of the Annual and Sustainability Report: click to open</p> | |
| 2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present. | Compliant | <p>The Audit and Compliance Committee conducts regular meetings and dialogues with the external audit team. For matters requiring the exclusion of people from the management team, they are asked to step out.</p> <p>Please see letter A of the Audit and Compliance Committee Charter: click to open</p> <p>On behalf of the Audit and Compliance Committee and before the audit of the Company's Annual Financial Statements was finalized, the Chairman of the Audit and Compliance Committee, had a private tele-conversation with Punongbayan & Araullo to confirm whether there are any unresolved critical or material audit issues. This is stated in the report of the Audit and Compliance Committee to the Board on page 160 of the Annual and Sustainability Report: click to open</p> | |
| Optional: Recommendation 3.2 | | | |
| 1. Audit Committee meet at least four times during the year. | Compliant | <p>The Audit and Compliance Committee had five (5) meetings in 2023 as provided in the Annual Report (or SEC Form 17-A).</p> <p>Please see page 88 of the Annual Report (or SEC Form 17-A): click to open</p> <p>The number of meetings held by the Audit and Compliance Committee in 2023 was also certified by the Corporate Secretary in a Secretary's Certificate dated 30 January 2024. click to open</p> | |
| 2. Audit Committee approves the appointment and removal of the internal auditor. | Compliant | <p>In accordance with the Audit and Compliance Committee Charter, the Audit and Compliance Committee shall consider the appointment of an independent internal auditor and determine, if ever, the terms and conditions of his/her engagement and removal.</p> | |

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| | | <p>Please see Letter A of the Audit and Compliance Committee Charter: click to open</p> <p>In this regard, the Audit and Compliance Committee reported to the Board that it supervised the activities of the Internal Audit Department of Megawide and assessed their performance. The said report is on page 160 of the Annual and Sustainability Report: click to open</p> | |
| Recommendation 3.3 | | | |
| <p>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.</p> | Compliant | <p>The Board established the Governance, Nominations, and Compensation Committee, which is tasked to assist the Board in the performance of its corporate governance responsibilities. The Board approved the Governance, Nominations, and Compensation Committee Charter during its meeting held on 14 May 2018.</p> <p>Please see the Governance, Nominations, and Compensation Committee Charter: click to open</p> | |
| <p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p> | Compliant | <p>The Governance, Nominations, and Compensation Committee is composed of the following members, two (2) of whom are Independent Directors:</p> <ul style="list-style-type: none"> a. Ret. Chief Justice Hilario G. Davide, Jr – <i>Chairman and Independent Director</i> b. Mr. Celso P. Vivas – <i>Member and Independent Director</i> c. Mr. Manuel Louie B. Ferrer – <i>Member and Executive Director</i> <p>The members of the Governance, Nominations, and Compensation Committee for 2024 is found in the results of the 2023 Organizational Meeting of the Board: click to open</p> <p>The members of the Governance, Nominations, and Compensation Committee are also indicated in the Company’s website under Board Committee Members: click to open</p> <p>For reference, Megawide’s elected Independent Directors in 2023 are found on pages 4 to 5 of the 2023 Minutes: click to open</p> | |
| <p>3. Chairman of the Corporate Governance Committee is an independent director.</p> | Compliant | <p>As required by the Governance, Nominations, and Compensation Committee Charter, its Chairman, Ret. Chief Justice Hilario G. Davide, Jr., is an Independent Director.</p> | |

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| | | <p>Please see the Committee Composition in the Governance, Nominations, and Compensation Committee Charter: click to open</p> <p>For reference, Megawide’s elected Independent Directors in 2023 are found on pages 4 to 5 of the 2023 Minutes: click to open</p> | |
| Optional: Recommendation 3.3 | | | |
| 1. Corporate Governance Committee meet at least twice during the year. | Non-compliant | The Governance, Nominations, and Compensation Committee did not hold any meetings in 2023. | The Governance, Nominations, and Compensation Committee did not deem it necessary to hold meetings in 2023 because there were no changes to the directors during such year. Thus, the qualifications and previous approvals made in 2022 continue to apply. |
| 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. | Compliant | <p>The Board established a Board Risk Oversight Committee to oversee the Company’s Enterprise Risk Management framework. The Charter of the Board Risk Oversight Committee was approved by the Board during its meeting on 03 April 2019.</p> <p>Please see Board Risk Oversight Committee Charter: click to open</p> | |
| 2. Board Risk Oversight Committee is composed of at least three members, the majority of whom should be independent directors, including the Chairman. | Compliant | <p>The following are the members of the Board Risk Oversight Committee, majority of whom are Independent Directors:</p> <ul style="list-style-type: none"> a. Mr. Celso P. Vivas – <i>Vice Chairman and Independent Director</i> b. Ret. Chief Justice Hilario G. Davide, Jr. – <i>Member and Independent Director</i> c. Mr. Edgar B. Saavedra – <i>Member and Executive Director</i> d. Mr. Ramon H. Diaz – <i>Member and Executive Director</i> <p>The membership of the Board Risk Oversight Committee in 2023 is found in the results of the 2023 Organizational Meeting of the Board: click to open</p> | |

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| | | <p>The members of the Board Risk Oversight Committee are also indicated in the Company’s website under Board Committee Members : click to open</p> <p>For reference, Megawide’s elected Independent Directors in 2023 are found on pages 4 to 5 of the 2023 Minutes: click to open</p> | |
| 3. The Chairman of the Board Risk Oversight Committee is not the Chairman of the Board or of any other committee. | Compliant | <p>There is currently no Chairman of the Board Risk Oversight Committee. Mr. Celso P. Vivas, however, serves as the Vice Chairman.</p> <p>Please see the Committee Composition in the Board Risk Oversight Committee Charter: click to open</p> <p>It can be noted from results of the 2023 Organizational Meeting of the Board that there is no Chairman of the Board Risk Oversight Committee.</p> <p>Please see the results of the 2023 Organizational Meeting of the Board: click to open</p> | |
| 4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management. | Compliant | <p>The members of the Board Risk Oversight Committee have relevant and thorough knowledge and experience on risk and risk management, as evidenced by the credentials of its members found in the following:</p> <p>The profiles of the members of the Board Risk Oversight Committee in 2023 are available in the following:</p> <p>Please see pages 79 to 82 of the Annual Report (or SEC Form 17-A): click to open</p> <p>Please see Company’s website to view the relevant credentials of each of the members by clicking on their relevant photos: click to open</p> | |
| Recommendation 3.5 | | | |
| 1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material | Compliant | <p>The Audit and Compliance Committee shall perform the functions of the Related Party Transactions Committee, as stated in its charter.</p> <p>Please see page 2, letter B, of the Audit and Compliance Committee Charter: click to open</p> | |

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| related party transactions of the company. | | | |
| 2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman. | Compliant | <p>The Audit and Compliance Committee is composed of the following members:</p> <ul style="list-style-type: none"> a. Mr. Celso P. Vivas – <i>Chairman, Non-Executive, and Independent Director</i> b. Ret. Chief Justice Hilario G. Davide – <i>Vice-Chairman, Non-Executive, and Independent Director</i> c. Mr. Oliver Y. Tan – <i>Member and Non-Executive Director</i> <p>The members of the Audit and Compliance Committee in 2023 is found in the results of the 2023 Organizational Meeting of the Board: click to open</p> <p>The members of the Audit and Compliance Committee are also indicated in the Company’s website under Board Committee Members : click to open</p> <p>For reference, Megawide’s elected Independent Directors in 2023 are found on pages 4 to 5 of the 2023 Minutes: click to open</p> | |
| Recommendation 3.6 | | | |
| 1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information. | Compliant | <p>The charters of the Company’s established Board Committees state in plain terms their respective purposes, memberships, structures, operations, reporting process, resources, and other relevant information. The charters also provide the standards for evaluating the performance of the Board Committees.</p> <p>The charters of the established Board Committees are annexed to the Manual on Corporate Governance beginning on page 27: click to open</p> <p>Moreover, the charters are also found on the Company’s website under Corporate Governance > Board Committees:</p> | |
| 2. Committee Charters provide standards for evaluating the performance of the Committees. | Compliant | <p>Executive Committee Charter</p> <p>Finance Committee Charter</p> <p>Audit and Compliance Committee Charter</p> <p>Governance, Nominations, and Compensation Committee Charter</p> <p>Board Risk Oversight Committee Charter</p> | |
| 3. Committee Charters were fully disclosed on the company’s website. | Compliant | | |

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| | | Pursuant to their Charters, the Board Committees are required to review their performance annually with respect to the fulfillment of their duties, functions, and responsibilities, through the Board Self-Evaluation Policy: click to open | |
| Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation’s business. | | | |
| Recommendation 4.1 | | | |
| 1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission. | Compliant | <p>The Manual on Corporate Governance and the Board Charter provide that the Directors shall attend and actively participate in all meetings of the Board, Committees, and stockholders in person or through tele-/video conferencing in accordance with the rules and regulations of the SEC.</p> <p>Please see page 14, number 4 (a), of the Manual on Corporate Governance: click to open</p> <p>Please see page 10, Article XI, Section 3, of the Board Charter: click to open</p> <p>The Directors’ active participation is evident in their attendance in Board and Committee meetings held from 01 January 2023 to 31 December 2023, as certified by the Corporate Secretary on 30 January 2024: click to open</p> <p>Additionally, the attendance of the Directors to Board and Committee meetings in 2023 are also available in the Annual Report (or SEC Form 17-A).</p> <p>Please see page 87 of the Annual Report (or SEC Form 17-A): click to open</p> | |
| 2. The directors review meeting materials for all Board and Committee meetings. | Compliant | <p>The Manual on Corporate Governance and the Board Charter require that for Board and Committee meetings, the Directors shall review meeting materials and if called for, ask the necessary questions or seek clarifications and explanations.</p> <p>Please see page 14, number 4 (a), of the Manual on Corporate Governance: click to open</p> <p>Please see page 10, Article XI, Section 3, of the Board Charter: click to open</p> <p>Moreover, the Corporate Secretary and the Assistant Corporate Secretary distribute materials for Board and Committee meetings at least five (5) business days before the scheduled meetings, which allows the Directors to review the materials ahead of time.</p> | |

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| | | This is certified by the Corporate Secretary in a Secretary's Certificate dated 30 January 2024: click to open | |
| 3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings. | Compliant | <p>During Board and Committee meetings, the Directors actively participate in the discussions and ask questions, seek clarifications, and explanations, which are addressed by the relevant resource persons.</p> <p>The Directors' comments and questions, as well as the answers to the same, are recorded in the minutes of the Board and Committee meetings.</p> | |
| Recommendation 4.2 | | | |
| 1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company. | Compliant | <p>The directorships of the Company's Directors in both listed and non-listed companies are disclosed in the 2023 Definitive Information Statement and the Annual Report (or SEC Form 17-A).</p> <p>Please see pages 11 to 14 of the 2023 Definitive Information Statement: click to open</p> <p>Please see pages 79 to 82 of the Annual Report (or SEC Form 17-A): click to open</p> <p>Particularly, the directorships of the Company's Independent Directors are listed in the Certificates of Independent Directors attached to the 2023 Definitive Information Statement: click to open</p> <p>The directorships are also indicated in the Company's website, by clicking the photo of each Director: click to open</p> <p>It can be noted that the Company's Directors serve in less than five (5) publicly-listed companies.</p> <p>Meanwhile, the Manual on Corporate Governance and the Board Charter state that the Non-Executive Directors of the Board may concurrently serve as a Director to a maximum of five (5) publicly listed companies.</p> <p>Please see page 14, number 4 (b), of the Manual on Corporate Governance: click to open</p> <p>Please see page 2, Article II, Section 2, of the Board Charter: click to open</p> | |
| Recommendation 4.3 | | | |

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| 1. The directors notify the company's board before accepting a directorship in another company. | Compliant | <p>The Manual on Corporate Governance and the Board Charter require Directors to notify the Board before accepting a directorship in another company.</p> <p>Please see page 14, number 4 (c) of the Manual on Corporate Governance: click to open</p> <p>Please see page 10, Article XI, Section 4, of the Board Charter: click to open</p> | |
| Optional: Principle 4 | | | |
| 1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group. | Compliant | <p>The Executive Directors of the Company do not serve in more than two (2) boards of listed companies outside the Megawide group. As evidenced by:</p> <p>Please see pages 11 to 14 of the 2023 Definitive Information Statement: click to open</p> <p>Please see pages 79 to 82 of the Annual Report (or SEC Form 17-A): click to open</p> <p>Please see Company's website to view the relevant credentials of each of the directors by clicking on their relevant photos: click to open</p> | |
| 2. Company schedules board of directors' meetings before the start of the financial year. | Compliant | The Company schedules its Board and Committee meetings at the beginning of each financial year. | |
| 3. Board of directors meet at least six times during the year. | Compliant | <p>There were five (5) regular board meetings and sixteen (16) special board meetings held in 2023. This is certified by the Corporate Secretary in a Secretary's Certificate dated 30 January 2024: click to open</p> <p>Furthermore, this is evident from the attendance of the Directors in 2023, as provided in page 87 of the Annual Report (or SEC Form 17-A): click to open</p> | |
| 4. Company requires as minimum quorum of at least 2/3 for board decisions. | Non-Compliant | <p>The Board follows the minimum quorum as indicated in the Revised Corporation Code of the Philippines.</p> <p>Given that the Directors of the Company diligently attend Board meetings, all board decisions are approved in a meeting during which a quorum (or at least two-third (2/3) of the board members) was present.</p> | |

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| | | <p>The Directors' attendance in Board and Committee meetings held from 01 January 2023 to 31 December 2023 are in the following:</p> <p>Certification from the Corporate Secretary on 30 January 2024: click to open</p> <p>Please see page 87 of the Annual Report (or SEC Form 17-A): click to open</p> | |
| Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs | | | |
| Recommendation 5.1 | | | |
| <p>1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.</p> | Non-compliant | <p>In 2023, the Company's stockholders elected two (2) Independent Directors to its Board, who are the following:</p> <ul style="list-style-type: none"> a. Ret. Chief Justice Hilario G. Davide, Jr. – <i>Independent Director</i> b. Mr. Celso P. Vivas – <i>Independent Director</i> <p>For reference, Megawide's elected Independent Directors in 2023 are found below:</p> <p>Please see pages 4 to 5 of the 2023 Minutes: click to open</p> <p>Please see page 78 of the Annual Report (or SEC Form 17-A): click to open</p> | <p>While the Board does not have at least 3 independent directors, at least 1/3 of the board is already composed of such independent directors (i.e., 2 out of 6).</p> |
| Recommendation 5.2 | | | |
| <p>1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.</p> | Compliant | <p>The Certificates of Independent Director show that each of the Independent Directors possesses all the qualifications and none of disqualifications to hold the said position. Please see pages 383 to 386 the 2023 Definitive Information Statement: click to open</p> <p>Please also see pages 11 to 14 of the 2023 Definitive Information Statement: click to open</p> | |
| Supplement to Recommendation 5.2 | | | |
| <p>1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.</p> | Compliant | <p>The Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the Directors' ability to vote independently. In fact, it is a policy of the Company for the Board to exercise objective and independent judgment on all corporate affairs.</p> <p>Please see page 4, Principle 5, of the Manual on Corporate Governance: click to open</p> | |

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| | | Please see page 2, Article II, Section 2, of the Board Charter: click to open | |
| Recommendation 5.3 | | | |
| 1. The independent directors serve for a cumulative term of nine years (reckoned from 2012). | Compliant | <p>The Certificates of Independent Directors show the number of years each Independent Director has served in the Company.</p> <p>Please see pages 383 to 386 the 2023 Definitive Information Statement: click to open</p> <p>The Manual on Corporate Governance and the Board Charter require that an Independent Director shall only serve for a maximum cumulative term of nine (9) years.</p> <p>Please see page 15, letter c, of the Manual on Corporate Governance: click to open</p> <p>Please see page 2, Article II, Section 3, of the Board Charter: click to open</p> | |
| 2. The company bars an independent director from serving in such capacity after the term limit of nine years. | Compliant | <p>The Manual on Corporate Governance and the Board Charter perpetually bars from re-election an Independent Director who has served the Company for nine (9) years.</p> <p>Please see page 15, letter c, of the Manual on Corporate Governance: click to open</p> <p>Please see page 2, Article II, Section 3, of the Board Charter: click to open</p> <p>This is also evident from the profiles of the Independent Directors, which provides for the year when they were first elected as Independent Directors.</p> <p>Please see pages 13 to 14 of the 2023 Definitive Information Statement: click to open</p> | |
| 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>Megawide undertakes to provide meritorious justification and to secure shareholders' approval during the ASM, should this scenario occur.</p> <p>Please see page 15, letter c, of the Manual on Corporate Governance: click to open</p> <p>Please see page 2, Article II, Section 3, of the Board Charter: click to open</p> | |

| Recommendation 5.4 | | | |
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| 1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals. | Non-Compliant | <p>The Chairman of the Board and Chief Executive Officer of the Company is Mr. Edgar B. Saavedra.</p> <p>Given that the positions of Chairman of the Board and Chief Executive Officer are held by the same person, the Board has appointed Ret. Chief Justice Hilario G. Davide, Jr. as its Lead Independent Director in 2023, in order to foster an appropriate balance of power, increased accountability, and better capacity for independent decision making by the Board.</p> <p>The appointment of Ret. Chief Justice Davide, Jr. as Lead Independent Director in 2023 is found in the results of the 2023 Organizational Meeting of the Board: click to open</p> | <p>The designation of a Lead Independent Director, when the positions of Chairman of the Board and Chief Executive Officer are held by the same person, are provided in the Manual on Corporate Governance and the Board Charter.</p> <p>Please see page 16, letter d, of the Manual on Corporate Governance: click to open</p> <p>Please see page 5, Article V, Section 4, of the Board Charter: click to open</p> |
| 2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities. | Compliant | <p>The Manual on Corporate Governance clearly sets apart the responsibilities of the Chairman of the Board and Chief Executive Officer.</p> <p>Please see page 16, subsections i and ii, of the Manual on Corporate Governance: click to open</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. | Compliant | <p>The Chairman of the Board in 2023 is Mr. Edgar B. Saavedra, who is an Executive Director.</p> <p>The appointment of Ret. Chief Justice Davide, Jr. as Lead Independent Director in 2023 is found in the results of the 2023 Organizational Meeting of the Board: click to open</p> | |
| 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 | <p>As stated in the Manual on Corporate Governance, any Director with a material interest affecting Megawide shall abstain from taking part in the deliberations pertaining to such transactions to ensure that he has no influence over its outcome.</p> <p>Please see page 17, letter e, of the Manual on Corporate Governance: click to open</p> | |

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| | | <p>Additionally, the Related Party Transactions Policy mandates that Directors with personal interest in a certain Related Party Transactions should abstain from participating in the discussions and voting on the same. In case they refuse to abstain, their attendance shall not be counted for purposes of assessing the quorum and their votes shall not be counted for purposes of determining approval.</p> <p>Please see page 6, Section VIII (6), of the Related Party Transactions Policy: click to open</p> | |
| Recommendation 5.7 | | | |
| <p>1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.</p> | Compliant | <p>All the Non-Executive Directors and Executive Directors of the Company participate together in all Board, Audit and Compliance Committee, Board Risk Oversight Committee, and Governance, Nominations, and Compensation Committee meetings (executive sessions included), which meeting schedules are formally announced in advance. This meeting format ensures that all Directors are kept abreast and updated, on timely basis, of all the operating activities of the Company as well as the annual and quarterly financial performance and status at the end of each period.</p> <p>The Audit and Compliance Committee’s responsibilities include, among others, meetings and dialogues with the Company’s external auditors without the presence of management, and with the Acting Chief Audit Executive. Further, the Chief Risk Officer directly reports to the Board Risk Oversight Committee, while the Chief Compliance Officer to the Governance, Nominations, and Compensation Committee. The Audit and Compliance Committee and Board Risk Oversight Committee are chaired by Independent Directors, and the Governance, Nominations, and Compensation Committee by the Lead Independent Director.</p> | |
| <p>2. The meetings are chaired by the lead independent director.</p> | Compliant | <p>As stated in the Manual on Corporate Governance and the Board Charter, the Non-Executive Directors of the Company shall have separate periodic meetings with the external auditors and heads of the internal audit, as part of their compliance and risk functions, without any Executive Directors present to ensure that proper checks and balances are in place within the Company. If a Lead Independent Director is appointed, such periodic meetings shall be chaired by him.</p> <p>Please see page 17, letter f, of the Manual on Corporate Governance: click to open</p> <p>Please see page 6, Article VII, Section 11, of the Board Charter: click to open</p> <p>In this regard, the Audit and Compliance Committee met periodically with the Chief Audit Executive and the Internal Audit Department. This is stated in the report of the Audit and Compliance Committee to the Board on page 160 of the Annual and Sustainability Report: click to open</p> | |

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| Optional: Principle 5 | | | |
| 1. None of the directors is a former CEO of the company in the past 2 years. | Compliant | <p>None of the Directors in 2023 was a former Chief Executive Officer of the Company in the past two (2) years, as evidenced by the following:</p> <p>Please see pages 11 to 14 of the 2023 Definitive Information Statement: click to open</p> <p>Please see pages 79 to 82 of the Annual Report (or SEC Form 17-A): click to open</p> <p>The position of the Directors is also indicated in the Company's website, by clicking on the photo of each Director: click to open</p> | |
| 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 | The Governance, Nominations, and Compensation Committee Charter provides that it will assess the performance of the Board by accomplishing the Company's Annual Corporate Governance Self-Evaluation Report. | |
| 2. The Chairman conducts a self-assessment of his performance. | Compliant | <p>Please see the Governance, Nominations, and Compensation Committee Charter: click to open</p> <p>Moreover, the Board has approved a Board Self-Evaluation Policy, which provides for the conduct of an annual self-assessment by the Board, its Chairman, its individual Directors, and the Board Committees: click to open</p> | |
| 3. The individual members conduct a self-assessment of their performance. | Compliant | A discussion on the Board-Self Evaluation Policy is also found in page 10 of the 2023 Definitive Information Statement: click to open | |
| 4. Each committee conducts a self-assessment of its performance. | Compliant | <p>The Board discussed the results of the annual Board self-evaluation for 2020 during the regular meeting of the Governance, Nominations, and Compensation Committee held last 04 March 2021. Thereafter, the Board completed the annual Board self-evaluation for 2022. The results of such self-evaluation are confidential.</p> <p>Please see page 96, number 13 of the Annual Report (or SEC Form 17-A): click to open</p> | |

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| <p>5. Every three years, the assessments are supported by an external facilitator.</p> | <p>Compliant</p> | <p>The Manual on Corporate Governance and the Board Charter state that the Board shall conduct an annual self-assessment of its performance, including the performance of the Chairman, all the Directors, and the Board Committees. If the need arises, every three (3) years, such assessment will be supported by an external facilitator.</p> <p>Please see page 17, number 6 (a), of the Manual on Corporate Governance: click to open</p> <p>Please see page 11, Article XII, Section 1, of the Board Charter: click to open</p> | |
| <p>Recommendation 6.2</p> | | | |
| <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>The Board Self-Evaluation Policy provides, at the minimum, the criteria and process to determine the performance of the Board, its individual Directors, and the Board Committees.</p> <p>Please see Board Self-Evaluation Policy: click to open</p> | |
| <p>2. The system allows for a feedback mechanism from the shareholders.</p> | <p>Compliant</p> | <p>The shareholders of Megawide are encouraged to provide feedback, and may easily reach the Company through the contact details provided in the website: click to open</p> <p>Particularly, shareholders may reach the Company through its Investor Relations Office:</p> <p>Mr. Rolando Bondoy* <i>Head of Investor Relations</i> rbondoy@megawide.com.ph</p> <p>Office Address: 10th Floor, Rockwell Santolan Town Plaza, 276 Colonel Bonny Serrano Avenue, San Juan, Metro Manila Trunk Line: (02) 8655-1111 Email address: investorrelations@megawide.com.ph</p> <p>The contact details of the Company's Investor Relations Office are also provided in the Company's website: click to open</p> <p><i>*In view of the re-assignment of Ms. Abigail Joan R. Cosico as Chief Investor Relations Officer for the Citicore Group, a sister company of the Company, the Board appointed Mr. Rolando S. Bondoy as Head of Investor Relations effective 2 May 2024.</i></p> | |

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| | | Please see disclosure on the appointment of Mr. Bondoy last 2 May 2024: click to open | |
| 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 | <p>Megawide is guided by the highest ethical standards of honesty, integrity, and accountability in the conduct of its business. Its Code of Business Conduct and Ethics serves as a statement of the Company's ethical beliefs, values, and commitments, and is a moral guide to the day-to-day activities of all Directors, officers, employees, interns, agents, consultants, sub-contractors, and other persons associated with or representing the Company.</p> <p>The Board adopted the Code of Business Conduct and Ethics on 14 May 2018.</p> <p>Please see the Code of Business Conduct and Ethics: click to open</p> <p>Moreover, the Board, on 03 April 2019, approved a Code of Conduct and Ethical Standards for Suppliers to guide third parties on the standards, virtues, and values they must uphold and practice in all their dealings with the Company.</p> <p>Please see the Code of Conduct and Ethical Standards for Suppliers: click to open</p> | |
| 2. The Code is properly disseminated to the Board, senior management and employees. | Compliant | <p>Megawide has conducted orientation seminars for the Board, senior management, and employees where the Code of Business Conduct and Ethics and Code of Conduct and Ethical Standards for Suppliers are discussed and explained. Moreover, they have been informed that the said codes are accessible and downloadable through the Company's website.</p> <p>With regard to the trainings on such codes, please see page 112 of the Annual and Sustainability Report: click to open</p> | |
| 3. The Code is disclosed and made available to the public through the company website. | Compliant | <p>The Code of Business Conduct and Ethics is available in the Company's website: click to open</p> <p>The Code of Conduct and Ethical Standards for Suppliers is available in the Company's website: click to open</p> | |
| Supplement to Recommendation 7.1 | | | |
| 1. Company has clear and stringent policies and procedures on curbing and | Compliant | Part IV of the Code of Business Conduct and Ethics and letter B of the Code of Conduct and Ethical Standards for Suppliers provide for the Company's policy in relation to bribery. | |

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| <p>penalizing company involvement in offering, paying and receiving bribes.</p> | | <p>Failure to comply with laws and policies on bribery will not only lead to grave consequences, such as the termination of employment and/or severance of the business relations, but may also entail civil and/or criminal penalties.</p> <p>Please see the Code of Business Conduct and Ethics: click to open</p> <p>Please see the Code of Conduct and Ethical Standards for Suppliers: click to open</p> <p>The Company has also rolled-out its Whistleblowing Policy to its employees, personnel, suppliers, contractors, and customers, to curb the occurrence of bribery and encourage its reporting.</p> <p>Please see the Whistleblowing Policy: click to open</p> <p>Furthermore, the Company has adopted the Anti-Fraud Policy which establishes the guidelines, procedures, and controls that will facilitate the prevention, detection, reporting, investigation, and punishment of all fraudulent activities.</p> <p>Please see the Anti-Fraud Policy: click to open</p> <p>The Company's Employee Code of Discipline also provides for the penalties to be imposed on an employee, should he/she be involved in any act of bribery.</p> <p>Please see Employee Code of Discipline: click to open</p> | |
| Recommendation 7.2 | | | |
| <p>1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.</p> | <p>Compliant</p> | <p>The Directors, management, and employees, including subcontractors, work together to ensure prompt and consistent action against violations of the Code of Business Conduct and Ethics and the other policies, rules, and regulations of the Company.</p> <p>Megawide encourages everyone to report all infractions or violations through the Whistleblowing Policy or directly to the Chief Human Resources Officer or the Chief Legal Officer/Compliance Officer of the Company.</p> | |
| <p>2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.</p> | <p>Compliant</p> | <p>The procedure by which the Board implements and monitors compliance with the Code of Business Conduct and Ethics and with the Company's internal policies are found in Part VIII of the Code of Conduct and Business and Ethics: click to open</p> | |

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| | | Moreover, the Internal Audit Department is responsible for ensuring that the internal policies and procedures of the Company are implemented and complied with. | |
| Disclosure and Transparency | | | |
| Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations. | | | |
| Recommendation 8.1 | | | |
| 1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations. | Compliant | <p>The Company's disclosures are made available on Megawide's website: click to open</p> <p>Furthermore, disclosures made by the Company in the PSE Edge are linked in the website under Company Disclosures > PSE Disclosures: click to open</p> <p>Through the Manual on Corporate Governance, the Board has established corporate disclosure policies and procedures that shall ensure a comprehensive, accurate, reliable, and timely reports to shareholders and other stakeholders. Please see page 18, Section VII, of the Manual on Corporate Governance: click to open</p> | |
| Supplement to Recommendations 8.1 | | | |
| 1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period. | Non-compliant | <p>Megawide makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions through its website and its PSE Edge disclosures.</p> <p>Reports submitted to the SEC can be found on the Company's website: click to open</p> <p>Reports submitted to the PSE can be found on the following link: click to open</p> <p>The Company disclosed its 2023 consolidated audited financial statements, together with its annual report, on 22 April 2024: click to open</p> | Megawide requested for an extension to file its 2023 annual report and audited financial statements to give it ample time to finalize the review of its financial statements. |
| 2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership | Compliant | <p>The Company disclosed in the Annual Report (or SEC Form 17-A) for the year 2023 its controlling shareholders and top 20 shareholders.</p> <p>Please see page 91 of the Annual Report (or SEC Form 17-A) for the ownership interest of controlling shareholders: click to open</p> | |

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| <p>concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p> | | <p>Please see page 58 of the Annual Report (or SEC Form 17-A) for the top 20 shareholders of the Company: click to open</p> <p>The cross-holdings among the Company's subsidiaries and affiliates are shown in page 11 of the Annual Report (or SEC Form 17-A): click to open. The Company's Conglomerate Map detailing the said cross-holdings is also shown the Company's website: click to open</p> <p>The Related Party Transactions of the Company in 2023 are also disclosed in the Annual Report (or SEC Form 17-A) and the 2023 Audited Financial Statements.</p> <p>Please see page 93, Item 11, of the Annual Report (or SEC Form 17-A): click to open</p> <p>Please see Note 28, of the 2023 Audited Financial Statements: click to open</p> <p>Moreover, there is no voting imbalance given that every stockholder entitled to vote shall have the right to vote in person or by proxy the number of shares of stock standing in his own name. Each stockholder may vote such number of shares for as many persons as there are directors to be elected, or he may cumulate his shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of shares shall equal; or he may distribute these shares on the same principle among as many candidates as he shall see fit.</p> <p>Please see page 34 of the 2023 Definitive Information Statement: click to open</p> <p>The Company's website and Annual and Sustainability Report indicate the rights of all shareholders to vote and participate in the decision-making of the Company.</p> <p>Please see Shareholders' Rights in the Company's website: click to open</p> <p>Please see page 122 of the Annual and Sustainability Report: click to open</p> | |
| Recommendation 8.2 | | | |
| <p>1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.</p> | <p>Compliant</p> | <p>The Company's Insider Trading Policy requires Directors and officers of the Company to disclose and report to the Compliance Officer their dealings in Megawide's shares.</p> <p>Please see the Insider Trading Policy: click to open</p> | |

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| 2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days. | Compliant | <p>The Manual on Corporate Governance also requires Directors and officers to disclose or report to Megawide any of their dealings in its shares within three (3) business days.</p> <p>Please see page 18, Section VII, number 8 (b), of the Manual on Corporate Governance: click to open</p> | |
| Supplement to Recommendation 8.2 | | | |
| 1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program). | Compliant | <p>The Company regularly discloses the trading of its shares by Directors, officers, and controlling stockholders in its website and the PSE Edge, through the following reports:</p> <ul style="list-style-type: none"> a. Quarterly Public Ownership Reports; and b. Statement of Beneficial Ownership (Forms 23-A and 23-B). <p>The latest Quarterly Public Ownership Report and Statement of Beneficial Ownership, disclosed by the Company in the PSE Edge are the following:</p> <p>Please see the latest Public Ownership Report dated 12 April 2024: click to open</p> <p>Please see the latest Statement of Beneficial Ownership of Securities dated 9 May 2024: click to open</p> <p>Moreover, the list of the top 100 shareholders of Megawide is disclosed monthly with the PSE, which is released by the PSE as a circular quarterly in the PSE Edge. Please see the latest PSE disclosure on the list of top 100 common stockholders dated 15 April 2024: click to open</p> <p>The security ownership of management and Directors in 2023 are also listed in the Annual Report (or SEC Form 17-A). Please see pages 91 to 93 of the Annual Report (or SEC Form 17-A): click to open</p> <p>The Company's Conglomerate Map detailing the cross-holdings of the Company's subsidiaries and affiliates is shown in the Company's website: click to open</p> | |
| Recommendation 8.3 | | | |
| 1. Board fully discloses all relevant and material information on individual board members to evaluate | Compliant | <p>The 2023 Definitive Information Statement, the Annual Report (or SEC Form 17-A), the Annual and Sustainability Report, and the website provide for material information on individual Directors of the Company in 2023, including their experience and qualifications.</p> | |

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| <p>their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p> | | <p>Please see pages 11 to 14 of the 2023 Definitive Information Statement: click to open</p> <p>Please see pages 79 to 82 of the Annual Report (or SEC Form 17-A): click to open</p> <p>Please see pages 44 to 46 of the Annual and Sustainability Report: click to open</p> <p>Please see the Company's website for the relevant information on each Director: click to open</p> | |
| <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.</p> | Compliant | <p>The 2023 Definitive Information Statement and the Annual Report (or SEC Form 17-A) provide for material information on the Company's key executives in 2023, including their experience and qualifications.</p> <p>Please see pages 14 to 18 the 2023 Definitive Information Statement: click to open</p> <p>Please see pages 82 to 86 of the Annual Report (or SEC Form 17-A): click to open</p> | |
| Recommendation 8.4 | | | |
| <p>1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.</p> | Compliant | <p>The Manual on Corporate Governance requires that the Company provide a clear disclosure of its policies and procedures for setting Board and executive remuneration, as well as the level and mix of the same in the Annual Corporate Governance Report. The Company may also disclose the remuneration on an individual basis, including termination and retirement.</p> <p>Please see page 18, Section VII, number 8 (d) of the Manual on Corporate Governance: click to open</p> | |
| <p>2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.</p> | Compliant | <p>The policy of the Company for Board remuneration is also provided in Article III, Section 8, of its By-Laws: click to open</p> <p>The compensation of Directors and executive officers in 2023 are also disclosed and explained in page 89 of the Annual Report (or SEC Form 17-A): click to open</p> | |
| <p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p> | Non-Compliant | | <p>In order to preserve the privacy of the Company's Directors and executive officers, and considering that compensation is a confidential matter, the total compensation of each</p> |

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| | | | Director and executive officer were not disclosed. However, the Company has provided the aggregate compensation of its Directors and executive officers in the Annual Report (or SEC Form 17-A): click to open |
| 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>The Manual on Corporate Governance provides that the Company shall disclose all its policies governing Related Party Transactions and other unusual or infrequently occurring transactions.</p> <p>Please see page 18, Section VII, number (8) (e), of the Manual on Corporate Governance: click to open</p> <p>Moreover, the Company's Related Party Transactions Policy is posted on its website: click to open</p> <p>As stated in the Related Party Transactions Policy, Related Party Transactions that are required to be disclosed and reported in the Company's filings with the SEC shall be disclosed in accordance with laws, rules, regulations, Philippine Financial Reporting and Accounting Standards. Megawide shall comply with Philippine Accounting Standards 24's required disclosures of relationships between the Company and its affiliates irrespective of whether there have been transactions between them, transactions and outstanding balances, including commitments, in the consolidated and separate individual financial statements.</p> <p>The Audit and Compliance Committee is granted the authority to review Related Party Transactions, except those falling within the material thresholds, provided under the Related Party Transactions Policy, that shall require the approval of the Chief Executive Officer and/or President, or the Board, as the case may be.</p> | |
| 2. Company discloses material or significant RPTs reviewed and approved during the year. | Compliant | <p>All Related Party Transactions that are reviewed and approved, in accordance with the Company's Related Party Transactions Policy, are immediately disclosed in the PSE Edge, as a material transaction.</p> <p>The Company's Related Party Transactions in 2023 are enumerated in the Annual Report (or SEC Form 17-A) and the 2023 Audited Financial Statements.</p> <p>Please see page 93, item 11, of the Annual Report (or SEC Form 17-A): click to open</p> | |

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| | | Please see page 101, Note 28, of the 2023 Audited Financial Statements: click to open | |
| Supplement to Recommendation 8.5 | | | |
| 1. Company requires directors to disclose their interests in transactions or any other conflict of interests. | Compliant | <p>In compliance with the Related Party Transactions Policy, Directors must immediately disclose their interests in transactions or any other conflicts of interest.</p> <p>Please see page 3, Section V (6), of the Related Party Transactions Policy: click to open</p> <p>Additionally, Directors are required to complete the Conflict of Interest Disclosure Form attached to the Conflict of Interest Policy Supplemental Guidelines every time they are elected to the Board.</p> <p>Please see Conflict of Interest Disclosure Form: click to open</p> <p>The Company complies with the requirements of Section 31 of the Revised Corporation Code on “Dealings of directors, trustees or officers with the corporation.”</p> <p>Directors who are aware of an actual or potential conflict of interest must immediately bring such matter to the attention of the Chief Human Resources Officer or the Chief Legal Officer of the Company.</p> <p>Please see Code of Business Conduct and Ethics: click to open</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. | Compliant | <p>The Manual on Corporate Governance requires the Board to formulate and implement policies and procedures that would ensure the integrity and transparency of Related Party Transactions between and among the Company and its parent company, joint ventures, subsidiaries, associates, affiliates, shareholders, officers, and Directors, including their spouses, children, dependent sibling and parents, and of interlocking Director relationships by members of the Board.</p> <p>Please see page 12, Section VI, number 2 (m), of the Manual on Corporate Governance: click to open</p> <p>Moreover, the Related Party Transactions Policy requires the Board and/or the Audit and Compliance Committee, as the case may be, to consider whether such transactions are fair and at arm’s length. As such, the Company is able to ensure that all its Related Party Transactions are fair and at arm’s length.</p> | |

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| | | Please see the Related Party Transactions Policy: click to open | |
| 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>Megawide makes a full, fair, accurate, and timely disclosure to the public every material fact or event that occurs, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or interest of its shareholders and other stakeholders.</p> <p>This is evident from the material transactions disclosed by the Company in the PSE Edge.</p> <p>The following is a link to Megawide’s disclosures in the PSE Edge: click to open</p> | |
| 2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets. | Compliant | <p>There has been no significant disposal of assets affecting the viability of the shareholders and other stakeholders. Should there be any, the Company shall adhere to its Manual on Corporate Governance which requires the appointment of an independent party to evaluate the fairness of the transactions on the said acquisition or disposal of assets.</p> <p>Please see page 18, Section VII, number 8 (f), of the Manual on Corporate Governance: click to open</p> <p>Moreover, if the transaction is a Related Party Transactions, the Related Party Transactions policy mandates that:</p> <p>“Before the execution of any Material Related Party Transactions, the Board should appoint an external independent party to evaluate the fairness of the terms of the said Material Related Party Transactions.”</p> <p>Please see page 5, Section VIII (4), of the Related Party Transactions Policy: click to open</p> | |
| Supplement to Recommendation 8.6 | | | |
| 1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other | Compliant | <p>Material transactions that may have an impact on the control, ownership, and strategic direction of the Company are promptly disclosed in the PSE Edge and may be accessed at: click to open</p> <p>Moreover, the Company has provided in the 2023 Definitive Information Statement and the Annual Report (or SEC Form 17-A) that there is no voting trust arrangement executed among the holders of five percent (5%) or more of the issued and outstanding shares of common stock of Megawide.</p> | |

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| agreements that may impact on the control, ownership, and strategic direction of the company. | | <p>Furthermore, there are no arrangements entered into by Megawide or any of its stockholders which may result in a change of control of Megawide.</p> <p>Please see page 8 of the 2023 Definitive Information Statement: click to open</p> <p>Please see page 93 of the Annual Report (or SEC Form 17-A): click to open</p> | |
| Recommendation 8.7 | | | |
| 1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance on Corporate Governance (MCG). | Compliant | <p>The Manual on Corporate Governance contains Megawide's corporate governance policies, programs, and procedures.</p> <p>It was submitted to the SEC and the PSE on 28 May 2018.</p> <p>Please see the Manual on Corporate Governance: click to open</p> | |
| 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 | Should the Company make any changes in its corporate governance practices, the Company shall submit an updated Manual on Corporate Governance to the SEC and the PSE. | |
| Optional: Principle 8 | | | |
| 1. Does the company's Annual Report (or SEC Form 17-A) disclose the following information: | Compliant | The Annual Report (or SEC Form 17-A) was submitted to the SEC on 22 April 2024 and disclosed in the PSE Edge on the same date. It contains information on the corporate objectives, financial performance indicators, non-financial performance indicators, dividend policy, biographical details of all Directors, attendance details of each Director, and total remuneration of each Director. | |
| a. Corporate Objectives | Compliant | | |
| b. Financial performance indicators | Compliant | | The Annual Report (or SEC Form 17-A) may be accessed in the PSE Edge: click to open |

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| c. Non-financial performance indicators | Compliant | <p>The Annual Report (or SEC Form 17-A) is also posted on Megawide’s website: click to open</p> <p>The required information are found in the following pages of the Annual Report (or SEC Form 17-A):</p> <ol style="list-style-type: none"> 1. Corporate Objectives- pages 28 to 32 2. Financial and non-financial performance indicators- page 76 3. Dividend policy- page 59 4. Biographical details of all directors- pages 79 to 82 5. Attendance details of directors in all director meetings- pages 87 to 88 6. Total remuneration of each member of the board of directors- page 90 | |
| 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 | Compliant | | |
| g. Total remuneration of each member of the board of directors | Compliant | | |
| 2. The Annual Report contains a statement confirming the company’s full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue. | Compliant | <p>The Annual Report provides that, “It is the firm belief of Megawide that an organization that faithfully practices and implements the core principles of good corporate governance such as honesty, integrity, fairness, accountability, and transparency will, more often than not, outperform and outshine its competitors. Thus, Megawide is in full compliance with the rules and regulations of the SEC, the PSE, and all other relevant rules and regulations, especially those involving public-listed companies.”</p> <p>Please see page 94 of the Annual Report (or SEC Form 17-A): click to open</p> <p>The Annual and Sustainability Report, on page 114, also states that Megawide complies with the SEC’s Code of Corporate Governance for Publicly-Listed Companies: click to open</p> <p>Moreover, the Company’s Compliance Officer, Atty. Raymund Jay S. Gomez, has issued a Certification dated 05 January 2024 certifying Megawide’s compliance with its Manual on Corporate Governance: click to open</p> | |
| 3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company’s | Compliant | <p>The Annual and Sustainability Report contains a report from the Audit and Compliance Committee, which provides that the Audit and Compliance Committee conducted a review of the Company’s material controls on behalf of the Board. The statement of the Acting Chief Audit Executive also indicates that the Internal Audit Department continuously reviews and monitors the internal</p> | |

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| material controls (including operational, financial and compliance controls) and risk management systems. | | control system of the Company, and regularly reports its findings to the Audit and Compliance Committee. The report of the Audit and Compliance Committee to the Board is on page 160 and the statement of the Acting Chief Executive is on page 159 of the Annual and Sustainability Report: click to open | |
| 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. | Compliant | The Annual and Sustainability Report contains a statement from the Acting Chief Audit Executive on the adequacy of the internal control system of the Company. Moreover, the Audit and Compliance Committee has submitted a report on its activities relating to its supervision over the Internal Audit Department. The report of the Audit and Compliance Committee to the Board is on page 160 and the statement of the Acting Chief Executive is on page 159 of the Annual and Sustainability Report: click to open | |
| 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 | The Annual Report (or SEC Form 17-A) discusses the key risks Megawide is exposed to. Please see pages 43 to 49 of the Annual Report (or SEC Form 17-A): click to open | |
| 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 | The 2023 Definitive Information Statement and the Annual Report (or SEC Form 17-A) state that the Audit and Compliance Committee is required to pre-approve all audit and non-audit services rendered by independent accountants and approve the engagement fees and other compensation to be paid to the independent accountant. When deciding whether to approve these items, Megawide's Audit and Compliance Committee takes into account whether the provision of any non-audit service is compatible with the independence standards under the guidelines of the SEC. To assist in this undertaking, the Audit and Compliance Committee actively engages in a dialogue with the external auditors with respect to any disclosed relationships or services that may impact their objectivity and independence and, if appropriate, recommends that the Board take appropriate action to ensure their independence. | |

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| | | <p>Please see page 2 of the 2023 Definitive Information Statement: click to open</p> <p>Please see page 77 of the Annual Report (or SEC Form 17-A): click to open</p> <p>The Audit and Compliance Committee Charter provides that the committee shall approve the appointment, reappointment, removal, and fees of the external auditors.</p> <p>Please see Letter A of the Audit and Compliance Committee Charter: click to open</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. | Compliant | <p>All stockholders of the Company representing two billion thirteen million four hundred nine thousand seven hundred seventeen (2,013,409,717) shares, present or represented during the 2023 ASM, unanimously voted in favor of the appointment of Punongbayan & Araullo as external auditor.</p> <p>Please see 2023 ASM Minutes: click to open</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. | Compliant | <p>Megawide has never removed nor replaced its external auditors.</p> <p>Please see page 77 of the Annual Report (or SEC Form 17-A): click to open</p> <p>Should the Company remove or replace its external auditors, it shall promptly disclose the same to the regulators and the public by posting the necessary information on its website and the PSE Edge.</p> | |
| Supplement to Recommendation 9.1 | | | |
| 1. Company has a policy of rotating the lead audit partner every five years. | Compliant | <p>The Audit and Compliance Committee Charter states that it shall review the external auditors' suitability and effectiveness on an annual basis and shall implement a policy of rotating the external auditors' lead audit partner every five (5) years.</p> <p>Please see the Roles and Responsibilities in the Audit and Compliance Committee Charter: click to open</p> <p>Accordingly, the 2023 Definitive Information Statement provides:</p> <p>"Pursuant to the Revised SRC Rule 68 (revised by the SEC on 19 August 2019), Number 3 (B) (ix) (Rotation of External Auditors), the independent auditors or in the case of an auditing firm, key</p> | |

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| | | <p>audit partners, as defined under Section 1 (B) (viii) of Part I of this Rule, of the aforementioned SEC-regulated entities under Groups A to C, except for non-stock, non-profit corporations, shall comply with the provisions on long association of personnel (including partner rotation) with an audit client as prescribed in the Code of Ethics for Professional Accountants in the Philippines as adopted by the BOA and PRC and such other standards as may be adopted by the Commission. Under Section 290.152 of the Code of Ethics for Professional Accountants in the Philippines and its amendments, the key audit partner shall be rotated every seven (7) years.”</p> <p>Please see footnote 9 on pages 21 to 22 of the 2023 Definitive Information Statement: click to open</p> <p>In this regard, the Company engaged Mr. John Endel S. Mata of Punongbayan & Araullo for the examination of the Company’s financial statements for the year 2023. Previously, Ms. Mailene Sigue-Bisnar of Punongbayan & Araullo was the signing partner for the Company from 2009 to 2013 and from 2016 to 2022.</p> | |
| Recommendation 9.2 | | | |
| <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 | <p>The Audit and Compliance Committee’s Charter includes the following responsibilities:</p> <ul style="list-style-type: none"> a. assessing the integrity and independence of external auditors; b. exercising effective oversight to review and monitor the external auditors’ independence and objectivity; and c. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. <p>Please see the Roles and Responsibilities in the Audit and Compliance Committee Charter: click to open</p> | |
| <p>2. Audit Committee Charter contains the Committee’s</p> | Compliant | <p>In accordance with its charter, the Audit and Compliance Committee shall be responsible for reviewing and monitoring the external auditors’ suitability and effectiveness on an annual basis.</p> | |

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| <p>responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p> | | <p>Please see the Roles and Responsibilities in the Audit and Compliance Committee Charter: click to open</p> | |
| 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> | <p>Compliant</p> | <p>The Audit and Compliance Committee ensures that the external auditors are credible, competent, and have the ability to understand complex Related Party Transactions, its counterparties, and valuations of such transactions, pursuant to its charter.</p> <p>Please see the Roles and Responsibilities in the Audit and Compliance Committee Charter: click to open</p> <p>It can also be noted in the report of the Audit and Compliance Committee to the Board that it actively performed oversight functions over the Company's external auditors. The report of the Audit and Compliance Committee to the Board is on page 160 of the Annual and Sustainability Report: click to open</p> | |
| <p>2. Audit Committee ensures that the external auditor has adequate quality control procedures.</p> | <p>Compliant</p> | <p>The Audit and Compliance Committee ensures that the external auditors have adequate quality control procedures, as stated in its charter.</p> <p>Please see the Roles and Responsibilities in the Audit and Compliance Committee Charter: click to open</p> <p>It can also be noted in the report of the Audit and Compliance Committee to the Board, that it actively performed oversight functions over the Company's external auditors. The report of the Audit and Compliance Committee to the Board is on page 160 of the Annual and Sustainability Report: click to open</p> | |
| Recommendation 9.3 | | | |
| <p>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.</p> | <p>Compliant</p> | <p>The audit and non-audit services performed by the Company's external auditors in 2023, including the fees paid for the same, are listed in the Annual Report (or SEC Form 17-A)</p> <p>Please see page 77 of the Annual Report (or SEC Form 17-A): click to open</p> | |

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| | | <p>It is the policy of the Company to disclose any non-audit services performed by its external auditors, in compliance with the Manual on Corporate Governance, which states that the Company shall disclose the nature of non-audit work or services performed by the external auditor in the Annual Report (or SEC Form 17-A).</p> <p>Please see page 19, number 9 (c), of the Manual on Corporate Governance: click to open</p> <p>The disclosure of the non-audit services is also required under letter A (14), of the Audit and Compliance Committee: click to open</p> | |
| <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> | Compliant | <p>In accordance with the Annual Report (or SEC Form 17-A), the Audit and Compliance Committee pre-approves all non-audit services and approves the engagement fees. It shall take into account whether the provision of any non-audit service is compatible with the independence standards of the SEC.</p> <p>Please see pages 77 of the Annual Report (or SEC Form 17-A): click to open</p> <p>The Manual on Corporate Governance mandates the Audit and Compliance Committee to be alert for any potential conflict of interest situations that could be viewed as impairing the external auditors’ objectivity.</p> <p>Please see page 19, number 9 (c), of the Manual on Corporate Governance: click to open</p> <p>In this regard, the Audit and Compliance Committee reported that:</p> <p>“It evaluated the non-audit work furnished by P&A, including the non-audit fees paid, particularly, on its impact on the total annual audit fees and consultancy expenses of Megawide. As determined by the ACC, the non-audit work performed by P&A did not appear to be in conflict with their duties as external auditor, nor posed a threat to their independence.”</p> <p>The report of the Audit and Compliance Committee to the Board is on page 160 of the Annual and Sustainability Report: click to open</p> | |
| Supplement to Recommendation 9.3 | | | |
| <p>1. Fees paid for non-audit services do not outweigh the fees paid for audit services.</p> | Compliant | <p>As can be seen from the Annual Report (or SEC Form 17-A), the non-audit services for 2023 do not outweigh the fees paid for audit services.</p> <p>Please see page 77 of the Annual Report (or SEC Form 17-A): click to open</p> | |

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| Additional Recommendation to Principle 9 | | | |
| 1. Company's external auditor is duly accredited by the SEC under Group A category. | Compliant | <p>Punongbayan & Araullo is accredited by the SEC under the Group A category.</p> <p>a. Name of the Audit Engagement Partner: John Endel S. Mata b. Accreditation Number: Group A Partner No. 121347-SEC Firm No. 0002 c. Expiry Date of Accreditation: Until Financial Period 2023 until Financial Period 2024 d. Name, Address, Contact Number of the Audit Firm: Punongbayan & Araullo 20th Floor, Tower 1, The Enterprise Center 6766 Ayala Ave, Makati, 1200 Kalakhang Maynila Tel no. (02) 8998-2288</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 | Should the Company's external auditor be subjected to the SEC's SOAR Program, it agrees to comply with the same. | |
| 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>The Manual on Corporate Governance explains that the Board shall have a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social, and governance issues of its business, which underpin sustainability. Megawide shall adopt a globally recognized standard/framework in reporting sustainability and non-financial issues.</p> <p>Please see page 19, number 10, of the Manual on Corporate Governance: click to open</p> <p>In this regard, the Company has disclosed in its Annual Report (or SEC Form 17-A) and Annual and Sustainability Report (which is a combined annual and sustainability report) its economic, social, environmental, and governance performance.</p> | |

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| | | <p>Please see Exhibit 3 (“Sustainability Report”) of the Annual Report (or SEC Form 17-A): click to open</p> <p>Please see page 27 to 41 of the Annual and Sustainability Report: click to open</p> <p>Moreover, in 2023 the Company received the following awards from FinanceAsia's Best Managed Companies Poll, in relation to economic, environmental, social, and governance:</p> <ul style="list-style-type: none"> a. Best CEO (Philippines) – Silver b. Best Managed Company (Philippines) – Gold c. Best Consumer Cyclical (Philippines) – Gold <p>Please see link to results of FinanceAsia 2023 awards: click to open</p> <p>The Company also received the following awards from the International Finance Magazine Awards in 2023:</p> <ul style="list-style-type: none"> a. Best Investor Relations Team – Philippines b. Most Innovative PPP Project Developers – Philippines <p>Please see link to the results of International Finance Magazine Awards: click to open</p> <p>Finally, the Company was also ranked by Statista R as one of the Philippines’ Best Employers in the year 2024. Please see link to the results of the Philippines’ Best Employers 2024: click to open</p> <p>Please also see discussion on awards previously received by Megawide in pages 7, 10, and 11 of the Annual Report (or SEC Form 17-A): click to open</p> | |
| <p>2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.</p> | <p>Compliant</p> | <p>The Company has adopted the Global Reporting Initiative Standards in reporting sustainability and non-financial issues in its Sustainability Report and Annual and Sustainability Report. Moreover, the Company has complied with the SEC’s Sustainability Reporting Guidelines for Publicly-Listed Companies for the said reports.</p> <p>Please see Sustainability Report under Exhibit 3 of the 2023 Annual Report: click to open</p> | |

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| | | Please see the Annual and Sustainability Report (which is a combined annual and sustainability report): click to open | |
| Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users. | | | |
| Recommendation 11.1 | | | |
| 1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors. | Compliant | Megawide regularly conducts quarterly analysts' and investors' briefings. The notices for these briefings are disclosed in the PSE Edge: click to open Further, the schedule for these briefings are posted on the Company's website: click to open | |
| Supplemental to Principle 11 | | | |
| 1. Company has a website disclosing up-to-date information on the following: | Compliant | The Company has a website disclosing up-to-date information. The website can be accessed through the following link: click to open | |
| a. Financial statements/reports (latest quarterly) | Compliant | The Company's financial statements/reports are found on the Company's website. Please see page where financial statements/reports are found on the Company's website under Company Disclosures > SEC Filings: click to open | |
| b. Materials provided in briefings to analysts and media | Compliant | Materials provided in briefings to analysts and media are available on the Company's website under Investor Relations > IR Presentations: click to open | |
| c. Downloadable annual report | Compliant | The Annual Report (or SEC Form 17-A) may be downloaded on the Company's website. Please see Annual Report (or SEC Form 17-A): click to open Please see page where Annual Reports (or SEC Form 17-A) are available on the Company's website under Company Disclosures > SEC Filings: click to open | |

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| | | The Annual and Sustainability Reports are also available on the Company's website under Company Disclosures > Annual Stockholders' Reports: click to open | |
| d. Notice of ASM and/or SSM | Compliant | The notices for the ASMs or Special Stockholders' Meetings ("SSMs") are found in the Company's website under Company Disclosures > Stockholders' Meetings: click to open | |
| e. Minutes of ASM and/or SSM | Compliant | The minutes of the ASMs are found in the Company's website under Company Disclosures > Stockholders' Meetings: click to open | |
| f. Company's Articles of Incorporation and By-Laws | Compliant | The Company's Amended Articles of Incorporation and Amended By-Laws are found in the Company's website under Corporate Governance > Corporate Documents: click to open Please see latest amended Articles of Incorporation of the Company: click to open Please see latest amended By-Laws of the Company: click to open | |
| Additional Recommendation to Principle 11 | | | |
| 1. Company complies with SEC-prescribed website template. | Compliant | The Company complies with the SEC-prescribed website template. It contains information regarding the Company's Board, corporate governance, investor relations, and corporate disclosures. The website can be accessed through the following link: click to open | |
| 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 | The Company has an adequate and effective internal control system, as provided in its Internal Audit Charter and Internal Audit Plan. Please see Revised Internal Audit Charter: click to open The Internal Audit Plan shall be uploaded on the Company's website under Corporate Governance. The Company's internal control system is implemented by the Chief Audit Executive and the Internal Audit Department, while its adequacy is monitored and evaluated by the Audit and Compliance Committee. | |

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| | | <p>Please see Audit and Compliance Committee Charter: click to open</p> <p>Additionally, the Chief Audit Executive has issued a statement on the adequacy of the internal control system of the Company.</p> <p>The Audit and Compliance Committee has also reported that it has evaluated the adequacy and effectiveness of the internal control system of the Megawide Group.</p> <p>The report of the Audit and Compliance Committee to the Board is on page 160 of the Annual and Sustainability Report: click to open</p> <p>Meanwhile, the statement of the Acting Chief Audit Executive is on page 159 of the Annual and Sustainability Report: click to open</p> | |
| 2. Company has an adequate and effective enterprise risk management framework in the conduct of its business. | Compliant | <p>The Company has adopted an adequate and effective Enterprise Risk Management framework in the conduct of its business, as provided in its Enterprise Risk Management Manual.</p> <p>Please see Enterprise Risk Management Manual: click to open</p> <p>The Enterprise Risk Management framework of the Company is customized to the operating environment of Megawide and is aligned with ISO 31000:2018, which contains the standards relating to risk management. The process involves: (a) establishing the scope, context, and criteria of the risk management activities; (b) risk assessment; (c) risk treatment; (d) communication and consultation; and (e) review and monitoring.</p> <p>The Company's Enterprise Risk Management framework is consistently monitored and supervised by the Board Risk Oversight Committee.</p> <p>Please see Board Risk Oversight Committee Charter: click to open</p> | |
| 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 | Compliant | <p>The Company's Enterprise Risk Management Manual includes, within its framework, the means to prevent or mitigate compliance risks. The Enterprise Risk Management framework, process and plan shall be reviewed and improved periodically, taking into consideration Megawide's and the Group's internal and external environment at each period.</p> <p>Please see Enterprise Risk Management Manual: click to open</p> | |

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| <p>appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.</p> | | <p>The Code of Business Conduct and Ethics and the Code of Conduct and Ethical Standards for Suppliers provide for the Company’s comprehensive compliance program with laws and relevant regulations.</p> <p>The Code of Business Conduct and Ethics serves as a statement of the Company’s ethical beliefs, values, and commitment, as well as a moral guide to the day-to-day business/professional activities and endeavors of all Directors, officers, employees, interns, agents, consultants, sub-contractors, and other persons associated with or representing Megawide. Meanwhile, the Code of Conduct and Ethical Standards for Suppliers guide third parties on the standards, virtues, and values they must uphold and practice in all their dealings with the Company.</p> <p>Please see the Code of Business Conduct and Ethics: click to open</p> <p>Please see the Code of Conduct and Ethical Standards for Suppliers: click to open</p> | |
| Optional: Recommendation 12.1 | | | |
| <p>1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.</p> | <p>Compliant</p> | <p>The Board Risk Oversight Committee is responsible for managing the governance process on information technology issues, including disruption, cyber security, and disaster recovery. They ensure that all risks are identified, managed and reported to the Board.</p> <p>Please see the Board Risk Oversight Committee Charter: click to open</p> | |
| Recommendation 12.2 | | | |
| <p>1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company’s operations.</p> | <p>Compliant</p> | <p>The Company has an independent Internal Audit Department, headed by its Acting Chief Audit Executive, which provides independent and objective assurance, and consulting services designed to add value and improve the Company’s operations.</p> <p>Please see the Company’s Organizational Chart: click to open</p> <p>It can be noted from the Organizational Chart that the Internal Audit Department is connected to the Chief Executive Officer and the other departments through a dotted line, evidencing its independence.</p> <p>The duties and responsibilities of the Internal Audit Department are also indicated in the Internal Audit Charter and Internal Audit Plan.</p> | |

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| | | Please see the Internal Audit Charter: click to open | |
| Recommendation 12.3 | | | |
| 1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board. | Compliant | <p>The Board has appointed Ms. Zheena E. Ocampo as the Company’s Acting Chief Audit Executive for the year 2023. Ms. Ocampo’s educational background, certifications, and previous experience evidences her qualification and competence to perform the duties of an Acting Chief Audit Executive.</p> <p>Please see disclosure on the appointment of Ms. Ocampo last 08 April 2021: click to open</p> <p>The biography of Ms. Ocampo is available in the 2023 Definitive Information Statement and the Annual Report (or SEC Form 17-A).</p> <p>Please see page 15 of the 2023 Definitive Information Statement: click to open</p> <p>Please see page 84 of the Annual Report (or SEC Form 17-A): click to open</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. | Compliant | <p>The Acting Chief Audit Executive oversees, and is responsible for, the internal audit activities of the Company, including that portion that may be outsourced to a third-party service provider.</p> <p>Please see page 20, letter c, of the Manual on Corporate Governance: click to open</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. | Compliant | <p>Megawide has its own Internal Audit Department, led by its Acting Chief Audit Executive.</p> <p>Please see Organizational Chart: click to open</p> | |
| Recommendation 12.4 | | | |
| 1. Company has a separate risk management function to | Compliant | The Company’s separate risk management function is headed by its Chief Risk Officer and Chief Executive Officer. | |

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| <p>identify, assess and monitor key risk exposures.</p> | | <p>The Board appointed Mr. Martin Miguel Flores as its Chief Risk Officer last 08 April 2022 upon the resignation of Mr. Kama Neson Ganeson.</p> <p>Please see disclosure in the PSE Edge on the appointment of Mr. Flores: click to open</p> <p>Furthermore, the Board Risk Oversight Committee has been tasked by the Board to oversee the Company's risk management framework and to identify, assess, and monitor key risk exposures, in accordance with its charter.</p> <p>Please see the Enterprise Risk Management portion the Board Risk Oversight Committee Charter: click to open</p> | |
| Supplement to Recommendation 12.4 | | | |
| <p>1. Company seeks external technical support in risk management when such competence is not available internally.</p> | <p>Compliant</p> | <p>This is not necessary at the moment. Megawide, however, shall seek technical support in risk management, if needed.</p> | |
| Recommendation 12.5 | | | |
| <p>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).</p> | <p>Compliant</p> | <p>The Company's Chief Risk Officer for the year 2023 is Mr. Martin Miguel Flores.</p> <p>Please see disclosure in the PSE Edge on the appointment of Mr. Flores: click to open</p> <p>The Manual on Corporate Governance requires that the Chief Risk Officer shall be an expert on Enterprise Risk Management and shall have adequate authority, stature, resources, and support to fulfill his/her responsibilities.</p> <p>Please see page 21, letter e, of the Manual on Corporate Governance for the qualifications, roles, and responsibilities of the Chief Risk Officer: click to open</p> | |
| <p>2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.</p> | <p>Compliant</p> | <p>The educational background, previous experience, and other qualifications of Mr. Martin Miguel Flores establishes that he has adequate authority and stature to fulfill his responsibilities.</p> <p>The biography of Mr. Flores is available in the 2023 Definitive Information Statement and the Annual Report (or SEC Form 17-A).</p> | |

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| | | <p>Please see pages 15 to 16 of the 2023 Definitive Information Statement: click to open</p> <p>Please see page 84 of the Annual Report (or SEC Form 17-A): click to open</p> | |
| Additional Recommendation to Principle 12 | | | |
| <p>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.</p> | Compliant | <p>The written attestation of the Acting Chief Audit Executive and Chief Executive Officer that the Company has in place a sound internal audit, control, and compliance system, which is working effectively, is found in the Annual and Sustainability Report.</p> <p>The written attestation is on page 159 of the Annual and Sustainability Report: click to open</p> | |
| Cultivating a Synergic Relationship with Shareholders | | | |
| Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights. | | | |
| Recommendation 13.1 | | | |
| <p>1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.</p> | Compliant | <p>The Manual on Corporate Governance lists the basic rights of shareholders.</p> <p>Please see page 21, number 13 (a), of the Manual on Corporate Governance: click to open</p> | |
| <p>2. Board ensures that basic shareholder rights are disclosed on the company's website.</p> | Compliant | <p>The basic rights of shareholders are also disclosed in Megawide's website under Investor Relations > Shareholders' Rights: click to open</p> | |
| Supplement to Recommendation 13.1 | | | |
| <p>1. Company's common share has one vote for one share.</p> | Compliant | <p>Megawide has two kinds of shares: (a) common shares with voting rights; and (b) preferred shares with no-voting rights. Both kinds are listed with the PSE. Each stockholder shall have one (1) vote for each share of stock entitled to vote and recorded in his/her name in the books of Megawide.</p> | |
| <p>2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.</p> | Compliant | <p>The Board ensures that all shareholders shall be treated equally or without discrimination. All shareholders of the same class are entitled to the same rights.</p> <p>The vote required for the election of Directors and all other questions (except in cases otherwise provided by the Company) is the vote of at least a majority of the outstanding capital stock.</p> | |

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| <p>3. Board has an effective, secure, and efficient voting system.</p> | <p>Compliant</p> | <p>Please see Article Seventh of the Company’s amended Articles of Incorporation on the rights of shareholders for each class of shares: click to open</p> <p>Meanwhile, Article II, Section 7 of the Company’s amended By-Laws provides a brief description of the Company’s voting procedure: click to open</p> <p>Additionally, the voting procedure is discussed on page 34 of the Definitive Information Statement: click to open</p> <p>For its 2023 ASM, the Company created a procedure and portal for voting and participation via remote communication. Please see Exhibit 1 of the 2023 Definitive Information Statement: click to open</p> <p>The Company’s external auditors also assisted in confirming the tabulation of votes cast in the ASM.</p> <p>Please see Exhibit 1 of the 2023 Definitive Information Statement: click to open</p> | |
| <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>In case of dissent, the shareholder may exercise his right of appraisal which is available under the Manual on Corporate Governance.</p> <p>Please see page 23, subsection vi, of the Manual on Corporate Governance: click to open</p> |
| <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>The Manual on Corporate Governance states that minority shareholders shall be granted the right to propose the holding of a meeting, and right to propose items in the agenda of the meeting, provided the items are for legitimate business purpose.</p> <p>Please see page 22, subsection iv, of the Manual on Corporate Governance: click to open</p> <p>Additionally, the Company shall comply with the procedure provided under SEC Memorandum Circular No. 7, Series of 2021, on the Calling of Special Stockholders’ Meeting by any number of shareholders of a corporation who hold at least ten percent (10%) or more of its outstanding capital stock.</p> | |

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| <p>6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.</p> | <p>Compliant</p> | <p>The Board has also adopted corporate governance policies in the Manual on Corporate Governance in order to protect the rights of minority shareholders.</p> <p>Please see pages 21 to 24 of the Manual on Corporate Governance: click to open</p> | |
| <p>7. Company has a transparent and specific dividend policy.</p> | <p>Compliant</p> | <p>The Annual Report (or SEC Form 17-A) states that on 26 June 2013, the Board adopted a dividend policy of declaring annual cash dividends equivalent to twenty percent (20%) of the prior year's net income, subject to contractual obligations. On 03 April 2019, the Board adopted a revised dividend policy increasing the maximum allowable annual dividend declaration to thirty percent (30%) (not to exceed thirty percent [30%]) of the prior year's net income, subject to the approval of the Board, and contractual obligations.</p> <p>Please see page 59 of the Annual Report (or SEC Form 17-A): click to open</p> <p>Meanwhile, the dividend policies for the Company's Series 1, Series 2, and Series 4 preferred shares are clearly set out in their respective prospectus.</p> <p>Please see page 30 of the prospectus for the Series 1 preferred shares: click to open</p> <p>Please see page 35 of the prospectus for the Series 2 preferred shares: click to open</p> <p>Please see page 51 of the prospectus for the Series 4 preferred shares: click to open</p> <p>The list of most recent dividends declared by Megawide are found in the latest General Information Sheet of the Company.</p> <p>Please see page 9 of the latest General Information Sheet: click to open</p> <p>The Manual on Corporate Governance also explains that shareholders shall have the right to receive dividends subject to the discretion of the Board. Megawide shall be compelled to declare dividends when its retained earnings shall be in excess of one hundred percent (100%) of its paid-in capital stock, except: (a) when justified by definite corporate expansion projects or programs approved by the Board; or (b) when the Company is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not yet been secured; or (c) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the Company, such as when there is a need for special reserve for probable contingencies.</p> | |

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| | | Please see page 22, subsection v, of the Manual on Corporate Governance: click to open | |
| Optional: Recommendation 13.1 | | | |
| 1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting. | Compliant | The Company's external auditors assisted in confirming the tabulation of votes cast in each ASM and SSM. Please see Exhibit 1 of the 2023 Definitive Information Statement: click to open | |
| Recommendation 13.2 | | | |
| 1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting. | Compliant | The Notices of the 2023 ASM were disclosed with the PSE and posted on the Company's website on 2 June 2023 or at least twenty-eight (28) days before the meeting. Please see disclosure made in the PSE Edge dated 2 June 2023 of the Notice of the 2023 ASM: click to open Shareholders' approval of the remuneration of the board of directors, or any changes thereto, were not included in the agenda or the 2023 ASM. Please see Notices and Agendas of ASMs in the Company's website under Company Disclosures > Stockholders' Meetings: click to open The Definitive Information Statement, with the Notice the Agenda, for the 2023 ASM was also disclosed in the PSE Edge portal and posted on the Company's website. Please see PSE disclosure dated 21 June 2023 of the 2023 Definitive Information Statement, with the Notice and Agenda, for the 2023 ASM held on 12 July 2023: click to open and click to open The Definitive Information Statements for all ASMs are also available in the Company's website under Company Disclosures > SEC Filings > SEC Form 20-IS (Information Statement): click to open <i>*The Notice, Agenda, and the Definitive Information Statement for the 2024 ASM of the Company are still being finalized.</i> | |
| Supplemental to Recommendation 13.2 | | | |

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| 1. Company's Notice of Annual Stockholders' Meeting contains the following information: | Compliant | The 2023 Definitive Information Statement, which contains the Notice and Agenda for the 2023 ASM, provided the profiles of the Directors, the details of external auditors and their re-appointment, and the proxy documents: click to open | |
| a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies) | Compliant | The profiles of the Directors are provided on pages 11 to 14 of the 2023 Definitive Information Statement: click to open | |
| b. Auditors seeking appointment/re-appointment | Compliant | The auditor seeking appointment/re-appointment is in the Notice and Agenda. Please see the Notice and Agenda for the 2023 ASM: click to open | |
| c. Proxy documents | Compliant | The 2023 Definitive Information Statement contains the proxy documents for the 2023 ASM: click to open | |
| Optional: Recommendation 13.2 | | | |
| 1. Company provides rationale for the agenda items for the annual stockholders meeting | Compliant | The rationale for each agenda item of the 2023 ASM is provided for in the 2023 Definitive Information Statement and in the Notice and Agenda. Please see the 2023 Definitive Information Statement: click to open Please see the Notice and Agenda for the 2023 ASM: click to open | |
| 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 and minutes of the ASMs contain information on all relevant questions raised and answered during the ASMs and the results of the votes taken during the same. The results of the ASMs, the Organizational Meetings of the Board, and the SSMs are disclosed with the PSE on the same day. Please see results of the 2023 ASM disclosed in the PSE Edge on 13 July 2023: click to open Please see the results of the 2023 Organizational Meeting of the Board disclosed in the PSE Edge on 13 July 2023: click to open | |

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| <p>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.</p> | <p>Compliant</p> | <p>The minutes of the ASMs and SSMS are made available on Megawide's website within five (5) business days from the end of the meeting under Company Disclosures > SEC Filings > Stockholders' Meetings.</p> <p>Please see the Minutes of the ASMs and SSMS: click to open</p> | |
| <p>Supplement to Recommendation 13.3</p> | | | |
| <p>1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.</p> | <p>Compliant</p> | <p>The external auditors and other relevant individuals were present during the ASMs and SSMS of the Company.</p> <p>Please see page 22, Item 7, of the 2023 Definitive Information Statement: click to open</p> | |
| <p>Recommendation 13.4</p> | | | |
| <p>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.</p> | <p>Compliant</p> | <p>The Manual on Corporate Governance incorporates the duty of the Board to make available an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.</p> <p>It is the duty of the Board to establish and maintain an alternative dispute resolution system in the Company that can amicably settle conflicts or differences between the Company and its stockholders, and the Company and third parties, including the regulatory authorities.</p> | |
| <p>2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.</p> | <p>Compliant</p> | <p>Please see the page 24, Section IX, number 13 (d), of the Manual on Corporate Governance: click to open</p> <p>It can be noted that the Investor Relations Office of the Company manages all disputes or complaints of shareholders and attempts to resolve the same in an amicable and effective manner.</p> | |
| <p>Recommendation 13.5</p> | | | |
| <p>1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.</p> | <p>Compliant</p> | <p>The Board has established an Investor Relations Office to ensure constant engagement with its shareholders. The Investor Relations Office is headed by the following:</p> <p>Mr. Rolando Bondoy* <i>Head of Investor Relations</i> rbondoy@megawide.com.ph</p> | |

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| | | <p>Office Address: 10th Floor, Rockwell Santolan Town Plaza, 276 Colonel Bonny Serrano Avenue, San Juan, Metro Manila</p> <p>Trunk Line: (02) 8655-1111</p> <p>Email address: investorrelations@megawide.com.ph</p> <p><i>*In view of the re-assignment of Ms. Abigail Joan R. Cosico as Chief Investor Relations Officer for the Citicore Group, a sister company of the Company, the Board appointed Mr. Rolando S. Bondoy as Head of Investor Relations effective 2 May 2024.</i></p> <p>Please see disclosure on the appointment of Mr. Bondoy last 2 May 2024: click to open</p> <p>Information for shareholders are also available at the Company's website: click to open</p> | |
| 2. IRO is present at every shareholder's meeting. | Compliant | The Investor Relations Office is present at every shareholders' meeting and even assists the Corporate Secretary in organizing such meetings. | |
| 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 | There has been no specific instance when the Board experienced anti-takeover measures or similar devices. However, should any of these events occur the Board shall endeavor to avoid the same. | |
| 2. Company has at least thirty percent (30%) public float to increase liquidity in the market. | Compliant | Based on the latest Public Ownership Report, as of 31 March 2024, the Company's public float is at thirty-two and 96/100 percent (32.96%) | |
| | | Please see the Public Ownership Report: click to open | |
| Optional: Principle 13 | | | |
| 1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting | Compliant | <p>The Company's policy on full disclosure and transparency encourages shareholders to communicate with the Company and raise any issues and concerns they may have.</p> <p>The Investor Relations Office also conducts regular analysts' briefings, participates in investor conferences, non-deal roadshows, has one-on-one meetings and conference calls, and accommodates site visits.</p> | |

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| 2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting. | Compliant | For its 2023 ASM, the Company established secure electronic voting <i>in absentia</i> portals. Please see Exhibit 1 of the 2023 Definitive Information Statement: click to open | |
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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

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| 1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability. | Compliant | The Manual on Corporate Governance requires that the Board identify Megawide's various stakeholders and promote cooperation between them and the Company in creating wealth, growth, and sustainability. Please see page 24, Section X, number 14 (a), of the Manual on Corporate Governance: click to open The stakeholders of Megawide are identified in the Sustainability Report and the Annual and Sustainability Report. Please see Sustainability Report under Exhibit 3 of the 2023 Annual Report: click to open Please see Annual and Sustainability Report: click to open | |
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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 | The Manual on Corporate Governance dictates that the Board shall establish clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders. Please see page 24, Section 10, number 14 (b), of the Manual on Corporate Governance: click to open The programs of the Company for the fair treatment and protection of its stakeholders are discussed in the Sustainability Report and the Annual and Sustainability Report. Please see Sustainability Report under Exhibit 3 of the 2023 Annual Report: click to open Please see the Annual and Sustainability Report: click to open | |
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Recommendation 14.3

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| <p>1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.</p> | <p>Compliant</p> | <p>Stakeholders may communicate with the Company through the Investor Relations Office.</p> <p>Mr. Rolando Bondoy* <i>Head of Investor Relations</i> rbondoy@megawide.com.ph</p> <p>Office Address: 10th Floor, Rockwell Santolan Town Plaza, 276 Colonel Bonny Serrano Avenue, San Juan, Metro Manila Trunk Line: (02) 8655-1111 Email address: investorrelations@megawide.com.ph</p> <p><i>*In view of the re-assignment of Ms. Abigail Joan R. Cosico as Chief Investor Relations Officer for the Citicore Group, a sister company of the Company, the Board appointed Mr. Rolando S. Bondoy as Head of Investor Relations effective 2 May 2024.</i></p> <p>Please see disclosure on the appointment of Mr. Bondoy last 2 May 2024: click to open</p> <p>Stakeholders may also report illegal or fraudulent activities through the Whistleblowing Policy which is available in the Company’s website.</p> <p>Please see the Whistleblowing Policy: click to open</p> | |
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Supplement to Recommendation 14.3

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| <p>1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.</p> | <p>Compliant</p> | <p>The Board, as required by the Manual on Corporate Governance and the Board Charter, shall establish and maintain an alternative dispute resolution system that allows amicable settlement of conflicts or differences between Megawide and its shareholders, and the Company and third parties, including regulatory authorities.</p> <p>Please see page 12, letter o, of the Manual on Corporate Governance: click to open</p> <p>Please see page 8, Article IX, Section 1(o), of the Board Charter: click to open</p> <p>Additionally, the Board shall make available at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.</p> <p>Please see page 24, Section IX, number 13 (d), of the Manual on Corporate Governance: click to open</p> | |
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| | | <p>It can be noted that the Investor Relations Office of the Company manages all disputes or complaints of stakeholders and attempts to resolve the same in an amicable and effective manner.</p> <p>Megawide shall also adhere to the Memorandum Circular to be issued by the SEC on the Guidelines on Arbitration of Intra-Corporate Disputes for Corporations.</p> | |
| Additional Recommendations to Principle 14 | | | |
| <p>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.</p> | Compliant. | <p>The Company has not sought any exemption from the application of a law, rule or regulations, especially those involving corporate governance issues.</p> | |
| <p>2. Company respects intellectual property rights.</p> | Compliant | <p>Megawide respects intellectual property rights as provided by law. This is signified in its Code of Business Conduct and Ethics which provides that Directors, officers, employees, interns, agents, consultants, sub-contractors, and other persons associated with or representing Megawide shall be responsible and accountable for safeguarding information such as intellectual property. Any ideas, inventions or other intellectual property which they developed or are involved in developing while connected with Megawide are considered the property of the Megawide.</p> <p>Please see the Code of Business Conduct and Ethics: click to open</p> <p>Further, Megawide has been issued Certificates of Registration by the Intellectual Property Office for the following trademarks:</p> <ol style="list-style-type: none"> a. its typeface, dated 09 May 2019 and expiring on 09 May 2029; b. its logo, dated 13 October 2019 and expiring on 13 October 2029; c. its logo with typeface, dated 13 October 2019 and expiring on 13 October 2029; d. its tagline "Engineering A First-World Philippines", dated 15 February 2020 and expiring on 15 February 2030; | |

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| | | <p>e. the word mark “Megawide Construction Corporation” dated 31 October 2022 and expiring on 31 October 2032; and</p> <p>f. the word mark “Megawide Construction” dated 31 October 2022 and expiring on 31 October 2032</p> <p>Please pages 32 to 33 of the Annual Report (or SEC Form 17-A): click to open</p> | |
| Optional: Principle 14 | | | |
| 1. Company discloses its policies and practices that address customers’ welfare | Compliant | <p>The Annual Report (or SEC Form 17-A) enumerates the customer and project selection procedures and practices of Megawide, which provides for the implementation of strict quality assurance and quality controls.</p> <p>Please see page 19 of the Annual Report (or SEC Form 17-A): click to open</p> <p>Moreover, construction contracts executed by Megawide with its customers generally contain a warranty from Megawide that it shall be responsible for and shall indemnify and hold its customers free and harmless.</p> <p>Please see page 97 of the Annual Report (or SEC Form 17-A): click to open</p> | |
| 2. Company discloses its policies and practices that address supplier/contractor selection procedures | Compliant | <p>The Annual Report (or SEC Form 17-A) discusses that in selecting suppliers, Megawide considers quality, pricing, and efficient delivery of raw materials, among others.</p> <p>Please page 31 of the Annual Report (or SEC Form 17-A): click to open</p> <p>The selection of the Company’s suppliers for raw materials is also on page 107 of the Annual and Sustainability Report: click to open</p> | |
| Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company’s goals and participate in its corporate governance processes. | | | |
| Recommendation 15.1 | | | |
| 1. Board establishes policies, programs and procedures that encourage employees to actively participate in the | Compliant | <p>The Manual on Corporate Governance embodies the policy of the Board to establish policies, programs, and procedures that encourage employees to actively participate in the realization of Megawide’s goals and in its governance. The establishment of policies and programs covering, among others, those relating to: (1) health, safety, and welfare; (2) training and development; and</p> | |

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| <p>realization of the company's goals and in its governance.</p> | | <p>(3) reward/compensation for employees, encourages employees to perform better and motivates them to take a more dynamic role in the Company.</p> <p>Please see page 24, Section X, number 15 (a), of the Manual on Corporate Governance: click to open</p> <p>Moreover, Megawide commits to provide and maintain a safe, secure, and healthy work environment. The Company's Occupational Health and Safety Management System has been certified to be compliant with ISO 45001:20018.</p> <p>A discussion on the Company's policies on Occupational Health and Safety is also on pages 89 to 94 of the Annual and Sustainability Report (click to open) and throughout the Sustainability Report (click to open).</p> | |
| Supplement to Recommendation 15.1 | | | |
| <p>1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.</p> | <p>Compliant</p> | <p>Employees receive incentives based on their performance, which is evaluated every June and December of each year.</p> <p>Please page 33 of the Annual Report (or SEC Form 17-A): click to open</p> <p>The Company further adopted an Employee Stock Ownership Plan for its employees, which will serve as a performance incentive initiative under the Company's performance management system where shares of the Company may be awarded to eligible and qualified Company employees. For this purpose, the Company approved the allotment of up to 10,000,000 shares of stock for the implementation of the Employee Stock Ownership Plan.</p> <p>Please see page 90 of the Annual Report (or SEC Form 17-A): click to open</p> | |
| <p>2. Company has policies and practices on health, safety and welfare of its employees.</p> | <p>Compliant</p> | <p>The Company provides health care benefits to its employees who are covered by its insurance provider. Moreover, all employees are required to undergo an annual medical check-up. Employees are also instructed to report any accidents and unsafe conditions.</p> <p>Further, the Company has implemented a Quality, Environmental, Safety & Health Policy.</p> <p>Please see the Quality, Environmental, Safety & Health Policy: click to open</p> | |

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| | | <p>In fact, the Company's Occupational Health and Safety Management System has been certified to be compliant with ISO 45001:2018.</p> <p>A discussion on the Company's policies on Occupational Health and Safety is also on pages 89 to 94 of the Annual and Sustainability Report (click to open) and throughout the Sustainability Report under Exhibit 3 of the Annual Report (click to open).</p> | |
| 3. Company has policies and practices on training and development of its employees. | Compliant | <p>Depending on their work assignment and employee development plans, employees undergo, or are sent to, specialized training courses, in order for the Company to maintain its competitiveness and efficiency.</p> <p>Please see page 34 of the Annual Report (or SEC Form 17-A): click to open</p> <p>Moreover, the trainings undertaken by employees are discussed in pages 85 to 88 of the Annual and Sustainability Report: click to open and the Sustainability Report click to open</p> | |
| Recommendation 15.2 | | | |
| 1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct. | Compliant | <p>The basis of the Company's anti-corruption plan is found in its Code of Business Conduct and Ethics: click to open</p> <p>This was supplemented by the Code of Conduct and Ethical Standards for Suppliers: click to open</p> <p>To further support the Company's campaign against corruption, the Company has adopted the Whistleblowing Policy and the Anti-Fraud Policy so that acts of corruption may be deterred and reported.</p> <p>Please see the Whistleblowing Policy: click to open</p> <p>Please see the Anti-Fraud Policy: click to open</p> | |
| 2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture. | Compliant | <p>A copy of the Code of Business Conduct and Ethics, the Code of Conduct and Ethical Standards for Suppliers, the Whistleblowing Policy, the Anti-Fraud Policy, and the Employee of Code of Discipline are posted on the Company's website.</p> <p>Additionally, numerous orientations are conducted by management, with the approval of the Board on the foregoing matters.</p> | |

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| | | <p>They are available on the Company's website through the following links:</p> <p>Code of Business Conduct and Ethics Code of Conduct and Ethical Standards for Suppliers Whistleblowing Policy Anti-Fraud Policy Employee Code of Discipline</p> | |
| Supplement to Recommendation 15.2 | | | |
| <p>1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.</p> | Compliant | <p>The Company's Employee Code of Discipline, Code of Business Conduct and Ethics, Code of Conduct and Ethical Standards for Suppliers, and other relevant rules and regulations provides for the clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying, and receiving bribes.</p> <p>Please see the Code of Business Conduct and Ethics: click to open</p> <p>Please see the Code of Conduct and Ethical Standards for Suppliers: click to open</p> <p>Please see the Employee Code of Discipline: click to open</p> | |
| Recommendation 15.3 | | | |
| <p>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</p> | Compliant | <p>The Board has adopted the Whistleblowing Policy, as revised by the Company, that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.</p> <p>The Whistleblowing Policy permits anonymous disclosures and guarantees the protection of the whistleblower against retaliation, threat, demotion, and other unfair practices. Section 5.2 thereof provides the guidelines to protect whistleblowers from retaliation.</p> <p>Please see the Whistleblowing Policy: click to open</p> | |
| <p>2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the</p> | Compliant | <p>In accordance with the Whistleblowing Policy, complaints may also be sent to the Chairman of the Audit and Compliance Committee, who is an Independent Director. Moreover, the Internal Audit Department has been assigned to handle and investigate such concerns.</p> | |

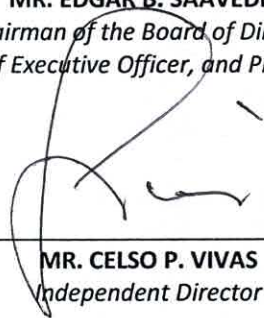
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| Board or a unit created to handle whistleblowing concerns. | | As such, the Whistleblowing Policy provides a suitable framework which allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns. Please see the Whistleblowing Policy: click to open | |
| 3. Board supervises and ensures the enforcement of the whistleblowing framework. | Compliant | The Audit and Compliance Committee shall oversee the Whistleblowing Policy in coordination with the Internal Audit Department and the Compliance Officer to implement the program effectively. Please see the Whistleblowing Policy: click to open | |
| 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 | Megawide has established the Megawide Corporate Foundation, Inc. for its corporate social responsibility initiatives. Information regarding Megawide Corporate Foundation, Inc. may be found in the Company's website: click to open The corporate social responsibility activities of Megawide are provided in Megawide Corporate Foundation, Inc.'s 2021 Annual Report (or SEC Form 17-A)*: click to open <i>*Megawide Corporate Foundation, Inc.'s 2023 Annual Report is still being finalized and will be made available in Megawide's website under Sustainability and CSR > MF Annual Report</i> | |
| Optional: Principle 16 | | | |
| 1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development. | Compliant | The Company has an Environmental Management System in place based on the ISO 14001:2015. Megawide's efforts towards sustainable development is also discussed throughout the Sustainability Report under Exhibit 3 of the Annual Report click to open . | |
| 2. Company exerts effort to interact positively with the communities in which it operates. | Compliant | Megawide has established Megawide Corporate Foundation, Inc. for its corporate social responsibility initiatives. Through Megawide Corporate Foundation, Inc., the Company is able to interact positively with the communities it operates in. | |

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| | | <p>Information regarding Megawide Corporate Foundation, Inc. may be found in the Company's website: click to open</p> <p>Megawide Corporate Foundation, Inc. has also established its own page on the Company's website: click to open</p> <p>The corporate social responsibility activities of Megawide are provided in Megawide Corporate Foundation, Inc.'s 2021 Annual Report: click to open</p> | |
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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 QUEZON CITY on MAY 30 2024.



MR. EDGAR B. SAAVEDRA
*Chairman of the Board of Directors
Chief Executive Officer, and President*



MR. CELSO P. VIVAS
Independent Director



MR. HILARIO G. DAVIDE, JR.
Lead Independent Director



ATTY. RAYMUND JAY S. GOMEZ
*Compliance Officer and
Chief Legal Officer*



ATTY. TEODULO ANTONIO G. SAN JUAN, JR.
*Corporate Secretary and
Assistant Compliance Officer*

REPUBLIC OF THE PHILIPPINES)
QUEZON CITY) S.S.

SUBSCRIBED AND SWORN to before me this MAY 30 2024 in QUEZON CITY, with affiants exhibiting their valid identification documents/cards, as follows:

| Name | Competent Evidence of Identity | Place and Date Issued |
|----------------------------------|--|--|
| Edgar B. Saavedra | Philippine Passport No. P6875140B | 27 May 2021; DFA Manila |
| Hilario G. Davide, Jr. | Senior Citizen's ID Control No. 46711 | Metro Manila |
| Celso P. Vivas | Senior Citizen's ID Control No. GGG-010167 | 23 June 2014; San Juan City |
| Raymund Jay S. Gomez | Driver's License No. A05-89-020189 | Valid until 21 July 2033; Metro Manila |
| Teodulo Antonio G. San Juan, Jr. | Driver's License No. N02-86-040987 | Valid until 03 August 2033; Metro Manila |

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Page No. 94 ;
Book No. 1 ;
Series of 2024.



Neil Kirby L. Ada
NEIL KIRBY L. ADA
Notary Public for and in Quezon City
Notarial Commission No. NP-557 (2023-2024)
Until 31 December 2024
No. 20 N. Domingo Street, Barangay Valencia, Quezon City
Roll No. 77893
PTR No. 5573633 / 01.04.2024 / Quezon City
IBP No. 397718 / 01.04.2024 / Batangas Chapter
MCLE Compliance - Admitted to the BAR on 11 May 2022