

SEC FORM - I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

GENERAL INSTRUCTIONS

A. Use of Form I-ACGR

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

B. Preparation of Report

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

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

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

C. Signature and Filing of the Report

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



Securities and
Exchange
Commission
PHILIPPINES

SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended 2018
2. SEC Identification Number 10020
3. BIR Tax Identification No. 000-596-509
4. Exact name of issuer as specified in its charter MIC INVESTMENTS CORPORATION
5. MANILA, PHILIPPINES 6. (SEC Use Only)
Province, Country or other jurisdiction of Industry Classification Code:
incorporation or organization
7. Winford Hotel and Casino 10114
MIC Drive Sta. Cruz, Manila
Address of principal office Postal Code
8. (02)631-2892
Issuer's telephone number, including area code
9. 12 F Strata 100 Bldg. F. Ortigas Road. Ortigas Center. Pasig City 1605
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

COMPLIANT/
NON-
COMPLIANT

ADDITIONAL INFORMATION

EXPLANATION

The Board's Governance Responsibilities

Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.

Recommendation 1.1

1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	ANNEX "A" - Qualifications, Professional Experience, and Expertise of the Board of Directors and Significant Employees ANNEX "A-2" – Revised Manual on Corporate Governance of MIC Investments (at pages 7-9)	
2. Board has an appropriate mix of competence and expertise.	Compliant		
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant		

Recommendation 1.2

1. Board is composed of a majority of non-executive directors.	Compliant	ANNEX "A-1" - Directors and Type of Their Directorships	
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Recommendation 1.3

1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	ANNEX "A-2" – Revised Manual on Corporate Governance of MIC (at page 26) ANNEX "A-3" – Board of Directors Charter	
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2. Company has an orientation program for first time directors.	Compliant	ANNEX "A-4" - Training and Orientation Programs of Directors The Company ensures that the new directors, upon assumption of office, are fully informed of their duties and responsibilities as part of the Board. It is also the Board's directive to have the directors attend annually a seminar on corporate governance to be conducted by a duly recognized private and government institutes.	
3. Company has relevant annual continuing training for all directors.	Compliant		
Recommendation 1.4			

1. Board has a policy on board diversity.	Compliant	<p>ANNEX "A" - Qualifications, Professional Experience, and Expertise of the Board of Directors and Significant Employees</p> <p>ANNEX "A-5" - Roles, Accountabilities and Deliverables of the Executive, Non-Executive and Independent Directors</p> <p>The Company ensures that the directors are members of good standing in relevant industry, business or professional organizations, and have previous business experience.</p> <p>The Company also ensures that non-executive directors possess such qualifications and stature that would enable them to effectively participate in the deliberations of the Board.</p>	
Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.		<p>Provide information on or link/reference to a document containing the company's policy and measureable objectives for implementing board diversity.</p> <p>Provide link or reference to a progress report in achieving its objectives.</p>	
Recommendation 1.5			

1. Board is assisted by a Corporate Secretary.	Compliant	ANNEX "A" Qualifications, Professional Experience, and Expertise of the Board of Directors and Significant Employees (at page 4)	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		
4. Corporate Secretary attends training/s on corporate governance.	Compliant	ANNEX "A-4" - Training and Orientation Programs of Directors	
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.		Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	ANNEX "A" Qualifications, Professional Experience, and Expertise of the Board of Directors and Significant Employees (at page 6)	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant (See Explanation)		

3. Compliance Officer is not a member of the board.	Compliant	<p>The incumbent Corporate Information and Compliance Officer of the Corporation has the rank of Associate Vice President instead of Senior Vice President. Corporate rank and designation, however, is relative considering that MIC is a medium-sized company with a unique corporate structure.</p> <p>The more significant factor to consider is whether the Compliance Officer is vested with adequate stature and authority within the Corporation. With this, MIC has faithfully complied, and the end-goal to sustain the Company's competitiveness and profitability, and ultimately to protect the best interest of the stakeholders is nevertheless achieved.</p>	
4. Compliance Officer attends training/s on corporate governance.	Compliant	ANNEX "A-4" - Training and Orientation Programs of Directors	
Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.			
Recommendation 2.1			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	ANNEX "A-5" Roles, Accountabilities and Deliverables of the Executive, Non-Executive and Independent Directors (at page 2)	

Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	ANNEX "A-2" – Revised Manual on Corporate Governance on the "Responsibilities, Duties and Functions of the Board" (at pages 10-11)	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant		
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	<p>Vision, Mission and Core Values of the Corporation may be found at the company website linked below:</p> <p>http://www.mjcinvestmentscorp.com/about.php</p> <p>Note that the Board reviews and approves the Corporation's vision and mission every five (5) years, or as often as needed.</p>	

<p>2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.</p>	<p>Compliant</p>	<p>A "Performance Reporting" is required and regularly conducted during Board and Executive Committee Meetings in each area of corporate activity. The Board has in place a reporting process that scrutinizes and assesses the performance of management and key officers.</p> <p>Particularly, the Executive Committee receives a quarterly progress report that outlines:</p> <ul style="list-style-type: none"> (a) Strategic actions completed and the improvements and problems observed; (b) Key achievements; (c) Remedial plans and designs implemented; (d) The end of year performance report, on the other hand, evaluates whether it is reasonable to assume that the strategic actions have had an impact on crucial issues and expected outcomes. 	
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Recommendation 2.3

<p>1. Board is headed by a competent and qualified Chairperson.</p>	<p>Compliant</p>	<p>ANNEX "A" - Qualifications, Professional Experience, and Expertise of the Board of Directors and Significant Employees</p> <p>In addition to the qualifications for membership in the board provided for in the Corporation Code, Securities Regulation Code and other relevant laws, the board may provide for additional qualifications which include, among others, the following:</p> <ul style="list-style-type: none"> (1) possess the knowledge, understanding, skills, experience, independence of mind given their responsibilities to the Board and in light of the entity's business; (2) must have a record of integrity and good repute; (3) must have sufficient time to carry out their responsibilities; (4) must be a member in good standing in relevant industry, business or professional organizations; and (5) must have the ability to promote a smooth interaction between board members. 	
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Recommendation 2.4

1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	<p>ANNEX "A-3" – Board of Directors Charter</p> <p>ANNEX "B" - Change in the Board of Directors</p>	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant	<p>The Board of Directors consider next level positions, second and third positions based on educational qualifications, work experiences, moral values, and standards. Succession plan based on seniority and is strictly merit-based.</p> <p>At present, there exists a retirement policy for the directors and key officers of the Company. While it does not stipulate a fixed amount of retirement benefits to which the executives and key officers are entitled, an executive or officer who retires or is separated from employment receives a generous monetary pay in accordance with law.</p> <p>The lack of a fixed amount stated in the retirement policy, however, is pending consideration of the Human Resources and Finance Departments of the Company.</p>	

Recommendation 2.5

1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	ANNEX "B-1" - Remuneration Matters ANNEX "A-2" Revised Manual on Corporate Governance of MIC (at page 14)	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant		
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.		Provide proof of board approval	
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.		Provide information on or link/reference to a document containing measurable standards to align performance-based remuneration with the long-term interest of the company.	
Recommendation 2.6			

1. Board has a formal and transparent board nomination and election policy.	Compliant	<p>ANNEX "A-2" – Revised Manual on Corporate Governance of MIC (See pages 18-20 re: the creation of a Nomination Committee)</p> <p>ANNEX "A-3" – Board of Directors Charter (See pages 3-4 re: the rules governing the nomination and election of directors and officers)</p>	Directors and Independent Directors are nominated through the Nomination Committee. After the submission of names as recommended by the stockholders, the Nomination Committee evaluates the recommendations as per the requirements and disqualifications stated in Section 38 of the SRC as well as the Code of Corporate Governance. After evaluation, said names will be submitted to the stockholders as nominees for directors.
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	ANNEX "B" - Change in the Board of Directors	
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant		
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant		
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant		

6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		
Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.		Identify the professional search firm used or other external sources of candidates	
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	ANNEX "B-2" – Report on Related party transaction, including Disclosure of Significant RPTs ANNEX "B-3" - Policy on Related Party Transactions	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant		
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant		
Supplement to Recommendations 2.7			

<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>ANNEX "B-2" – Report on Related party transaction, including Disclosure of Significant RPTs</p> <p>ANNEX "B-3" - Policy on Related Party Transactions</p>	
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<p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p>	<p>Compliant</p>	<p>ANNEX "B-2" – Report on Related party transaction, including Disclosure of Significant RPTs</p> <p>ANNEX "B-3" - Policy on Related Party Transactions</p> <p>The Board designated the Audit Committee members to serve as the Related Party Transactions Committee who review all material related party transactions of the company. Existing relations among businesses and counterparties are evaluated on an ongoing basis, to ensure that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured.</p> <p>All material RPTs are also regularly being assessed to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with nonrelated parties under similar circumstances and that no corporate or business resources of the company are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions.</p>	
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Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	<p>ANNEX "A-2" – Revised Manual on Corporate Governance of MIC [See page 13 re: Internal Control Responsibilities of the Board Section H (i)]</p> <p>ANNEX "A-3" – Board of Directors Charter</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).	Compliant	<p>ANNEX "A-2" – Revised Manual on Corporate Governance of MIC [See page 13 re: Internal Control Responsibilities of the Board under Section H (i)]</p> <p>ANNEX "A-3" – Board of Directors Charter</p> <p>Management performance is evaluated at least once a year and discussed/followed up on.</p>	
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	Compliant	A "Performance Reporting" is required and regularly conducted during Board and Executive Committee Meetings in each area of corporate activity. The Board has in place a reporting process that	

<p>2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.</p>	<p>Compliant</p>	<p>scrutinizes and assesses the performance of management and key officers.</p> <p>Particularly, the Executive Committee receives a quarterly progress report that outlines:</p> <ul style="list-style-type: none"> (e) Strategic actions completed and the improvements and problems observed; (f) Key achievements; (g) Remedial plans and designs implemented; (h) The end of year performance report, on the other hand, evaluates whether it is reasonable to assume that the strategic actions have had an impact on crucial issues and expected outcomes. 	
<p>Recommendation 2.10</p>			
<p>1. Board oversees that an appropriate internal control system is in place.</p>	<p>Compliant</p>	<p>ANNEX "A-2" – Revised Manual on Corporate Governance of MIC [See page 13 re: Internal Control</p>	

2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	Responsibilities of the Board under Section H (i)] ANNEX "B-4" - Internal Audit and Control System ANNEX "B-6" – Policy on Conflict of Interest	
3. Board approves the Internal Audit Charter.	Compliant	ANNEX "B-5" – Audit Committee Charter	
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	ANNEX "B-7" - Enterprise Risk Management Framework	.
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant		
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	ANNEX "A-3" – Board of Directors Charter	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant		

3. Board Charter is publicly available and posted on the company's website.	Compliant		
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	Compliant	ANNEX "B-8" - Policy on Insider Trading	
Optional: Principle 2			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.		Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any.	
2. Company discloses the types of decision requiring board of directors' approval.		Indicate the types of decision requiring board of directors' approval and where there are disclosed.	
Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	ANNEX "C" – Board Committees	
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	ANNEX "C" – Board Committees -and- ANNEX "B-5" – Audit Committee Charter	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	ANNEX "C" – Board Committees	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	ANNEX "B-5" – Audit Committee Charter	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	ANNEX "A" ANNEX "A" - Qualifications, Professional Experience, and Expertise of the Board of Directors and Significant Employees (at page 4)	
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	ANNEX "A-2" – Revised Manual on Corporate Governance of MIC [See page 16 Section K (k)] ANNEX "B-5" – Audit Committee Charter	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	ANNEX "B-5" – Audit Committee Charter	

Optional: Recommendation 3.2

1. Audit Committee meet at least four times during the year.		Indicate the number of Audit Committee meetings during the year and provide proof	
2. Audit Committee approves the appointment and removal of the internal auditor.		Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.	

Recommendation 3.3

1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Non-Compliant (See explanation)		<p>The duties and responsibilities of the Corporate Governance Committee are satisfactorily being performed by the Nomination and Remuneration Committees of the MIC. Said Committees, although having different designations, meticulously ensure and maintain an efficient process of identifying the quality of directors aligned with the company's strategic direction.</p> <p>The Board, however, hereby undertakes to establish three committees in order to fully comply: Corporate Governance, Board Risk Oversight and Related Party Transaction.</p>
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2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Non-Compliant (See explanation)		<p>The only independent directors in both the Nomination and Remuneration Committees are Victor P. Lazatin and Laurito E. Serrano</p> <p>This issue, however, will be properly addressed in the next Annual Stockholders' Meeting of MIC which shall be held on 26 June 2019, wherein the proper Committees and their respective membership will be established and/or re-organized.</p>
3. Chairman of the Corporate Governance Committee is an independent director.	Non-Compliant (See explanation)	.	<p>The Chairmen of both the Nomination and Remuneration Committees, Gabriel A. Dee and Walter Mactal, respectively, are not independent directors.</p> <p>This issue, however, will be properly addressed in the next Annual Stockholders' Meeting of MIC which shall be held on 26 June 2019, wherein the proper Committees and their respective membership will be established and/or re-organized.</p>
Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.		Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.	
Recommendation 3.4			

1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Non-Compliant (see explanation)		<p>The functions of this Committee were sufficiently absorbed and presently being fulfilled by the Audit Committee. The latter is also in charge of supervising Management's activities in managing credit, market, liquidity, operational, legal and other risks of the corporations. This function shall include regular receipt from Management of information on risk exposures and risk management activities.</p> <p>Moreover, with a sound and effective Enterprise Risk Management Framework in place, the Audit Committee of MIC is adequately guided and forewarned of possible enterprise and financial risks..</p>
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Non-Compliant (see explanation)		<p>The Chairman of the Audit Committee, Laurito E. Serrano, and Victor P. Lazatin are Independent Directors.</p> <p>This issue, however, will be properly addressed in the next Annual Stockholders' Meeting of MIC which shall be held on 26 June 2019, wherein the proper Committees and their respective membership will be established and/or re-organized.</p>
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Compliant	ANNEX "C" – Board Committees	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant	ANNEX "B-5" – Audit Committee Charter	

Recommendation 3.5

1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Non-Compliant (see explanation)	<p>ANNEX "B-2" – Report on Related party transaction, including Disclosure of Significant RPTs</p> <p>ANNEX "B-3" - Policy on Related Party Transactions</p> <p>ANNEX "C" – Board Committees</p>	<p>The functions of this Committee were sufficiently absorbed and presently being fulfilled by the Audit Committee. The latter is also in charge of supervising Management's activities in managing credit, market, liquidity, operational, legal and other risks of the corporations. This function shall include regular receipt from Management of information on risk exposures and risk management activities.</p> <p>Moreover, by faithfully abiding by the current <i>Policy on Related Party Transactions</i>, the Audit Committee of MIC is adequately guided in reviewing all material related party transactions of the company.</p>
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant		

Recommendation 3.6

<p>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.</p>	<p>Non-Compliant (see explanation)</p>		<p>At present, the responsibilities of the Corporate Governance are jointly and satisfactorily being performed by the Nomination and Remuneration Committees. On the other hand, the functions of the Board Risk Oversight and Related Party Transaction Committees were sufficiently absorbed and presently being fulfilled by the Audit Committee.</p> <p>Moreover, with a sound and effective <i>Enterprise Risk Management Framework</i> in place and with the proper implementation of the <i>Policy on Related Party Transactions</i>, the Audit Committee of MIC is more than sufficient to achieve the end-goal of the Code of Corporate Governance.</p> <p>The Board, however, hereby undertakes to establish three committees to fully comply: Corporate Governance, Board Risk Oversight and Related Party Transaction. In fact, the Audit Committee and Board of Directors Charters were already published on the website. The publication of the other Charters is already underway.</p>
<p>2. Committee Charters provide standards for evaluating the performance of the Committees.</p>	<p>Non-Compliant (see explanation)</p>		<p>Same as above.</p>

3. Committee Charters were fully disclosed on the company's website.	Non-Compliant (see explanation)	http://manilajockeyclubinc.com.ph/boardcommittees.php	Same as above.
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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	See ANNEX "L" reflecting the attendance of directors during the last regular board meeting.	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	ANNEX "A-2" – Revised Manual on Corporate Governance of MIC [See page 14 re: Board Meetings and Quorum Requirements] It is the policy of the Company that in Board and Committee meetings, the director should review meeting materials and if called for, ask the necessary questions or seek clarifications and explanations.	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	same	

Recommendation 4.2

<p>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.</p>	<p>Compliant</p>	<p>ANNEX "A-1"</p> <p>Directorship in Other Companies</p> <p>The optimum number of directorships that the CEO and other directors can hold in other companies should take into consideration the capacity of such director to diligently and efficiently perform his duties and responsibilities.</p> <p>The CEO and other executive directors may be covered by a lower indicative limit for membership in other boards. A similar limit may apply to independent or non-executive directors who, at the same time, serve as full-time executives in other corporations. In any case, the capacity of the directors to diligently and efficiently perform their duties and responsibilities to the boards they serve should not be compromised.</p>	
<p>Recommendation 4.3</p>			

1. The directors notify the company's board before accepting a directorship in another company.	Compliant	<p>The directors AT ALL TIMES notify the company's board before accepting a directorship in another company, and the possible ramifications thereof are given due consideration during board meetings.</p> <p>Considering, however, that no significant changes in the directorship recently occurred, no formal written notification to the board is being required. Nevertheless, the requirement of a written notification shall be incorporated in the Company's policy moving forward.</p>	
Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.			
2. Company schedules board of directors' meetings before the start of the financial year.			
3.			
4. Board of directors meet at least six times during the year.		Indicate the number of board meetings during the year and provide proof	
5. Company requires as minimum quorum of at least 2/3 for board decisions.		Indicate the required minimum quorum for board decisions	

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

Recommendation 5.1

1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Non-Compliant (see explanation)	Provide information or link/reference to a document containing information on the number of independent directors in the board	There are only two independent directors at present, Laurito E. Serrano and Victor P. Lazatin. Since there are 11 members of the Board, there should be four Independent Directors and not just three. This issue, however, will be properly addressed in the next Annual Stockholders' Meeting of MIC which shall be held on 26 June 2019, wherein the proper Committees and their respective membership will be established and/or re-organized.
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Recommendation 5.2

1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	<p>ANNEX "A" ANNEX "A" - Qualifications, Professional Experience, and Expertise of the Board of Directors and Significant Employees (at pages 2-3)</p> <p>ANNEX "A-3" - Revised Manual on Corporate Governance (at pages 7-9)</p>	
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Supplement to Recommendation 5.2

1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	ANNEX "A-3" - Revised Manual on Corporate Governance (See pages 29-31 re: Voting Requirements and Procedure)	
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Recommendation 5.3

1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	<p>ANNEX "A" - Qualifications, Professional Experience, and Expertise of the Board of Directors and Significant Employees (at page 1)</p> <p>ANNEX "A-5" - Roles, Accountabilities and Deliverables of the Executive, Non-Executive and Independent Directors (at page 3)</p>	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	<p>ANNEX "A-5" - Roles, Accountabilities and Deliverables of the Executive, Non-Executive and Independent Directors (at page 3)</p> <p>In the instance that the Corporation wants to retain an independent director who has served for nine years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting.</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	ANNEX "A-2" – Revised Manual on Corporate Governance (at page 18) ANNEX "A-5" - Roles, Accountabilities and Deliverables of the Executive, Non-Executive and Independent Directors (at page 3)	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Non-Compliant (See explanation)		<p>Among the checks and balances laid down to maintain the independence of the Board and to ensure the directors' objectivity and loyalty to the shareholders are as follows:</p> <ul style="list-style-type: none"> • The powers and responsibilities of the Chairman and the CEO are delineated and specified in the Bylaws; • The majority of the directors are non-executive and independent directors; and • The powers and responsibilities of the executive directors are clearly separated and specified from that of the Management.

2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	ANNEX "A-3" - Revised Manual on Corporate Governance (at pages 6-7) ANNEX "A-5" - Roles, Accountabilities and Deliverables of the Executive, Non-Executive and Independent Directors	
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Non-Compliant (see explanation)		<p>There are two independent directors at present, Laurito E. Serrano and Victor P. Lazatin. No such lead independent director has been designated. Nevertheless, the two directors act in collaboration with each other, in deference to the expertise and professional experience of the other.</p> <p>This issue, however, will be properly addressed in the next Annual Stockholders' Meeting of MIC which shall be held on 26 June 2019, wherein the proper Committees and their respective membership will be established and/or re-organized.</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	ANNEX "A-3" - Revised Manual on Corporate Governance (See pages 11-12 re: Specific Duties and Responsibilities of a Director)	
Recommendation 5.7			

1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	Non-Compliant (see explanation)		The non-executive directors (NEDs) attend periodic meetings with the external auditor and heads of the internal audit, <u>nevertheless</u> it is done in the presence of executive directors for majority of the time. The presence of an executive during these internal meetings is more practical and viable, because the Company's NED's prefer to discuss business solutions on the spot, and in the presence of people who are in charge of the daily operations. With this practice, the NED's are better able to suggest strategies, albeit independently, and consult other committees whose professional expertise varies from the NED's themselves.
2. The meetings are chaired by the lead independent director.	Non-Compliant (see explanation)		Same as above.
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.		Provide name/s of company CEO for the past 2 years	
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. Board conducts an annual self-assessment of its performance as a whole.	Compliant	ANNEX "A-2" – Revised Manual on	

2. The Chairman conducts a self-assessment of his performance.	Compliant	Corporate Governance (at page 31)	
3. The individual members conduct a self-assessment of their performance.	Compliant		
4. Each committee conducts a self-assessment of its performance.	Compliant		
5. Every three years, the assessments are supported by an external facilitator.	Non-Compliant (see explanation)		The absence of an external facilitator will be properly addressed in the next Annual Stockholders' Meeting of MIC which shall be held on 26 June 2019.
Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	ANNEX "A-2" – Revised Manual on Corporate Governance on the "Responsibilities, Duties and Functions of the Board" (at pages 10-11)	.
2. The system allows for a feedback mechanism from the shareholders.	Compliant		
Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
Recommendation 7.1			
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	ANNEX "D"- Code of Business Conduct and Ethics	

2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	ANNEX "D"- Code of Business Conduct and Ethics (at page 3)	
3. The Code is disclosed and made available to the public through the company website.	Compliant	http://www.mjcinvestmentscorp.com/downloads/CODE%20OF%20BUSINESS%20CONDUCT%20AND%20ETHICS.p df	
Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Compliant	ANNEX "D"- Code of Business Conduct and Ethics (at pages 1-2)	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	ANNEX "D"- Code of Business Conduct and Ethics (at page 3)	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant		
Disclosure and Transparency			
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			
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	ANNEX "A-2" – Revised Manual on Corporate Governance (at pages 26-27) ANNEX "E" – Disclosure and Transparency	
Supplement to Recommendations 8.1			

1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.	Compliant	All the Financial Reports of MIC are made available to the public through the company website, which may be found at the link below: http://www.mjcinvestmentscorp.com/annual.php	
2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	Compliant	All the Financial Reports of MIC are made available to the public through the company website, which may be found at the link below: http://www.mjcinvestmentscorp.com/annual.php	
Recommendation 8.2			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	ANNEX "A-2" – Revised Manual on Corporate Governance (at pages 26-27)	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Compliant		
Supplement to Recommendation 8.2			

1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	Compliant	<p>Link/reference to the shareholdings of directors, management and top 100 shareholders:</p> <p>http://www.mjcinvestmentscorp.com/otherdisclosures.php</p> <p>Link or reference to the company's Conglomerate Map.</p> <p>http://www.mjcinvestmentscorp.com/organizationalchart.php</p>	
Recommendation 8.3			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	http://www.mjcinvestmentscorp.com/board.php	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	http://www.mjcinvestmentscorp.com/executive.php	
Recommendation 8.4			

1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Compliant	ANNEX "A-2" – Revised Manual on Corporate Governance (at pages 14-15) http://www.mjcinvestmentscorp.com/downloads/2017/MJIC_Manual_on_Corporate_Governance_May_2017.pdf	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	ANNEX "A-2" – Revised Manual on Corporate Governance (at pages 14-15) http://www.mjcinvestmentscorp.com/downloads/2017/MJIC_Manual_on_Corporate_Governance_May_2017.pdf	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	ANNEX "B-1" - Remuneration Matters	
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	ANNEX "B-2" and "B-3" http://www.mjcinvestmentscorp.com/downloads/policies/RELATED%20PARTY%20TRANSACTIONS%20POLICY.pdf	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	ANNEX "B-2" and "B-3" http://www.mjcinvestmentscorp.com/downloads/policies/RELATED%20PARTY%20TRANSACTIONS%20POLICY.pdf	
Supplement to Recommendation 8.5			

1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	ANNEX "B-2" and "B-3" http://www.mjcinvestmentscorp.com/downloads/policies/RELATED%20PARTY%20TRANSACTIONS%20POLICY.pdf	
Optional : Recommendation 8.5			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.		Provide link or reference where this is disclosed, if any	
Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Compliant	Links where this is disclosed: http://www.mjcinvestmentscorp.com/annual.php http://www.mjcinvestmentscorp.com/quarterly.php http://www.mjcinvestmentscorp.com/beneficialownership.php	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant	ANNEX "A-2" – Revised Manual on Corporate Governance (at pages 26-27)	
Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Compliant	http://www.mjcinvestmentscorp.com/otherdisclosures.php http://www.mjcinvestmentscorp.com/beneficialownership.php	

Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	http://www.mjcinvestmentscorp.com/downloads/2017/MJIC_Manual_on_Corporate_Governance_May_2017.p df	
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	<a href="http://www.mjcinvestmentscorp.com/downloads/2017/MJIC_Manual_on_Corporate_Governance_May_2017.p
df">http://www.mjcinvestmentscorp.com/downloads/2017/MJIC_Manual_on_Corporate_Governance_May_2017.p df	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:		http://www.mjcinvestmentscorp.com/annual.php	
a. Corporate Objectives	Compliant		
b. Financial performance indicators	Compliant		
c. Non-financial performance indicators	Compliant		
d. Dividend Policy	Compliant		

e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant		
f. Attendance details of each director in all directors meetings held during the year	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	http://www.mjcinvestmentscorp.com/annual.php	
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	Compliant	http://www.mjcinvestmentscorp.com/annual.php -and- http://www.mjcinvestmentscorp.com/downloads/2017/MJIC_Manual_on_Corporate_Governance_May_2017.p df	

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	http://www.mjcinvestmentscorp.com/annual.php -and- http://www.mjcinvestmentscorp.com/downloads/2017/MJIC_Manual_on_Corporate_Governance_May_2017.pdf	
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	http://www.mjcinvestmentscorp.com/annual.php	
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	ANNEX "A-2" – Revised Manual on Corporate Governance [at page 25 re: Accountability and Audit under Section V(B)] ANNEX "B-5" - Audit Committee Charter (at page 2-3)	

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	ANNEX "A-2" – Revised Manual on Corporate Governance [at page 25 re: Accountability and Audit under Section V(B)] ANNEX "B-5" - Audit Committee Charter (at page 2-3)	
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	ANNEX "A-2" – Revised Manual on Corporate Governance [at page 25 re: Accountability and Audit under Section V(B)]	
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	ANNEX "B-5" - Audit Committee Charter (at pages 2-3)	
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	ANNEX "B-5"- Audit Committee Charter	
<p>2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	Compliant	ANNEX "B-5"- Audit Committee Charter	
Supplement to Recommendations 9.2			
<p>1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.</p>	Compliant	<p>ANNEX "A-2" – Revised Manual on Corporate Governance [at page 25 re: Accountability and Audit under Section V(B)]</p> <p>ANNEX "B-5"- Audit Committee Charter</p>	

2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	ANNEX "A-2" – Revised Manual on Corporate Governance [at page 25 re: Accountability and Audit under Section V(B)] ANNEX "B-5" - Audit Committee Charter	
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	ANNEX "A-2" – Revised Manual on Corporate Governance [See page 16 Section K (k)] and page 25 re: Accountability and Audit under Section V(B)] ANNEX "B-5" - Audit Committee Charter	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	Compliant	ANNEX "A-2" – Revised Manual on Corporate Governance [See page 16 Section K (k)] and page 25 re: Accountability and Audit under Section V(B)]	
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	ANNEX "E" – Disclosure and Transparency	
Additional Recommendation to Principle 9			

1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	ANNEX "F" – Accounting and Financial Disclosures 1. SGV & Co. 2. Accreditation number: 0012-FR-4 (Group A) 3. Date accredited: Nov. 10, 2015 4. Expiry date: Nov. 9, 2018 5. SyCip Gorres Velayo & Co. 6760 Ayala Avenue 1226 Makati City, Philippines Tel: (632) 891-0307	
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	SGV was subjected to SOAR on Nov 12-23, 2018.	

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	ANNEX "A-2" – Revised Manual on Corporate Governance (at pages 26-27 re: Reports and Disclosures) Corporate Social Responsibility http://www.mjcinvestmentscorp.com/csr.php	
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2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	Corporate Social Responsibility http://www.mjcinvestmentscorp.com/csr.php	
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	http://www.mjcinvestmentscorp.com	
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:	Compliant	http://www.mjcinvestmentscorp.com	
a. Financial statements/reports (latest quarterly)	Compliant		
b. Materials provided in briefings to analysts and media	Compliant		
c. Downloadable annual report	Compliant		
d. Notice of ASM and/or SSM	Compliant		
e. Minutes of ASM and/or SSM	Compliant		
f. Company's Articles of Incorporation and By-Laws	Compliant		

Additional Recommendation to Principle 11

1. Company complies with SEC-prescribed website template.

Compliant

[http://www.mjcinvestmentscorp.com /](http://www.mjcinvestmentscorp.com/)

Internal Control System and Risk Management Framework

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

Recommendation 12.1

1. Company has an adequate and effective internal control system in the conduct of its business.

Compliant

ANNEX "A-2" – Revised Manual on Corporate Governance of MIC (See page 13 re: Internal Control Responsibilities of the Board under Section H)

ANNEX "B-4" – Internal Audit and Control System

ANNEX "B-5" - Audit Committee Charter

2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.

Compliant

ANNEX "B-7" - Enterprise Risk Management Framework

Supplement to Recommendations 12.1

1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	Compliant	ANNEX "A-2" – Revised Manual on Corporate Governance (at age 32) ANNEX "B-5" - Audit Committee Charter	
Optional: Recommendation 12.1			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.		Provide information on IT governance process	
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Compliant	ANNEX "A-2" – Revised Manual on Corporate Governance of MIC (See page 13 re: Internal Control Responsibilities of the Board under Section H) ANNEX "B-4" – Internal Audit and Control System ANNEX "B-5" - Audit Committee Charter	
Recommendation 12.3			

1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	<p>ANNEX "B-4" – Internal Audit and Control System</p> <p>ANNEX "B-5" - Audit Committee Charter</p> <p>At present, the functions of the Chief Audit Executive (CAE) are being performed by the Chairman of the Audit Committee, Laurito E. Serrano.</p> <p>This issue on lack of appointed CAE, however, will be properly addressed in the next Annual Stockholders' Meeting of MIC which shall be held on 26 June 2019, wherein the proper Committees and their respective membership will be established and/or re-organized.</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>ANNEX "B-4" – Internal Audit and Control System</p> <p>ANNEX "B-5" - Audit Committee Charter</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>ANNEX "B-4" – Internal Audit and Control System</p> <p>ANNEX "B-5" - Audit Committee Charter</p>	

Recommendation 12.4

1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Non-Compliant (see explanation)	ANNEXES "B-7" – Enterprise Risk Management	<p>The Internal Audit provides an independent risk-based assurance service to the Board, Audit Committee, and Management, by focusing on reviewing the effectiveness of the governance and control processes.</p> <p>At present, the company's Internal Audit is in charge of the monitoring and the implementation of company policies by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of the company's governance, risk management and control functions.</p>
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	Compliant	ANNEXES "B-7" - Enterprise Risk Management	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Non-Compliant (see explanation)		<p>At present, the functions of the Chief Risk Officer (CRO) are being performed by the Chairman of the Audit Committee, Laurito E. Serrano.</p> <p>This issue on lack of appointed CRO, however, will be properly addressed in the next Annual Stockholders' Meeting of MIC which shall be held on 26 June 2019, wherein the proper Committees and their respective membership will be established and/or re-organized.</p>

2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Non-Compliant (see explanation)		<p>At present, the functions of the Chief Risk Officer (CRO) are being performed by the Chairman of the Audit Committee, Laurito E. Serrano.</p> <p>This issue on lack of appointed CRO, however, will be properly addressed in the next Annual Stockholders' Meeting of MIC which shall be held on 26 June 2019, wherein the proper Committees and their respective membership will be established and/or re-organized.</p>
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Additional Recommendation to Principle 12

1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Non-Compliant (see explanation)		It is the Corporate Governance Officer who attests to the company's full compliance with the SEC Code of Corporate Governance.
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Cultivating a Synergic Relationship with Shareholders

Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.

Recommendation 13.1

1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	<p>ANNEX "A-2" – Revised Manual on Corporate Governance (at pages 27-31 re: Stockholders Rights and Protection of Minority Interests, Voting Requirements and Procedures)</p> <p>ANNEX "G"– Rights of Shareholders</p>	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	http://www.mjcinvestmentscorp.com/downloads/2017/MJIC_Manual_on_Corporate_Governance_May_2017.pdf	

Supplement to Recommendation 13.1

1. Company's common share has one vote for one share.	Compliant	ANNEX "A-2" – Revised Manual on Corporate Governance (at pages 27-31 re: Stockholders Rights and Protection of Minority Interests, Voting Requirements and Procedures) ANNEX "G" - Rights of Shareholders	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	ANNEX "A-2" – Revised Manual on Corporate Governance (at pages 27-31 re: Stockholders Rights and Protection of Minority Interests, Voting Requirements and Procedures) ANNEX "G" - Rights of Shareholders	
3. Board has an effective, secure, and efficient voting system.	Compliant	ANNEX "A-2" – Revised Manual on Corporate Governance (at pages 27-31 re: Stockholders Rights and Protection of Minority Interests, Voting Requirements and Procedures) ANNEX "G" - Rights of Shareholders	
4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	Compliant	ANNEX "A-2" – Revised Manual on Corporate Governance (at pages 27-31 re: Stockholders Rights and Protection of Minority Interests, Voting Requirements and Procedures) ANNEX "G" - Rights of Shareholders	

5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Compliant	ANNEX "A-2" – Revised Manual on Corporate Governance (at pages 27-31 re: Stockholders Rights and Protection of Minority Interests, Voting Requirements and Procedures) ANNEX "G" – Rights of Shareholders	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	ANNEX "A-2" – Revised Manual on Corporate Governance (at pages 27-31 re: Stockholders Rights and Protection of Minority Interests, Voting Requirements and Procedures) ANNEX "G" – Rights of Shareholders	
7. Company has a transparent and specific dividend policy.	Compliant	ANNEX "A-2" – Revised Manual on Corporate Governance (at pages 27-31 re: Stockholders Rights and Protection of Minority Interests, Voting Requirements and Procedures) ANNEX "H" – Market for Registrants Common Equity and Related Stockholders Matters	
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.		Identify the independent party that counted/validated the votes at the ASM, if any.	
Recommendation 13.2			

1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Non-Compliant	ANNEX "G" – Rights of Stockholders	The Company follows the SEC Rules requiring a minimum of fifteen (15) business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up.
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Compliant	http://www.mjcinvestmentscorp.com/noticeofmeeting.php	
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 directors are indicated in the Definitive Statement given to the stockholders instead.
b. Auditors seeking appointment/re-appointment	Compliant		The Company's external auditor is indicated in the Definitive Statement given to the stockholders instead.
c. Proxy documents	Compliant		Proxy solicitation is sent with the Notice.
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	Compliant	http://www.mjcinvestmentscorp.com/noticeofmeeting.php	
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	http://www.mjcinvestmentscorp.com/noticeofmeeting.php	

2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	Compliant	http://www.mjcinvestmentscorp.com/minutesofmeeting.php	
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	http://www.mjcinvestmentscorp.com/minutesofmeeting.php	Representatives from the external auditor were present during the Annual Stockholders Meeting.
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	<p>ANNEX "A-2" – Revised Manual on Corporate Governance (at page 11)</p> <p>The parent company of MJC Investments Corp, Manila Jockey Club Inc., is a unionized establishment. Said company incorporated a streamlined process for negotiation and dispute resolution within in its collective bargaining agreements or CBA's.</p> <p>The union officers and the management likewise work hand-in-hand in creating an environment which promotes negotiation and compliance with grievance procedures, thereby strengthening their working relationships, and at the same time resulting in an efficient and effective resolutions of problems and issues.</p>	

2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	ANNEX "A-2" – Revised Manual on Corporate Governance (at page 11)	
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	ANNEX "A-2" – Revised Manual on Corporate Governance (at page 10 under Section III-F)	Atty. Lemuel M. Santos Tel. No. (631) 2892 Fax No. (631) 2846 lmsantos@rtdslaw.com.ph
2. IRO is present at every shareholder's meeting.	Compliant		
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant		In cases of takeovers requiring shareholders' approval, the Board of Directors appoint independent parties to evaluate the fairness of the transaction price whenever deemed necessary. Moreover, the Company had set up reasonable and merely temporary measures, which are intended solely to ensure the continuity of the company and the interests linked to the latter.
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Compliant		The Company's public float is 99.61% as of 31 March 2019.
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting		Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM	

2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.		Disclose the process and procedure for secure electronic voting in absentia, if any.	
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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

1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	ANNEX "J" – Role of Stakeholders	
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Recommendation 14.2

1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	ANNEX "J" – Role of Stakeholders	
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Recommendation 14.3

1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	Compliant	ANNEX "J-1" – Policy on Whistle-blowing	
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Supplement to Recommendation 14.3

<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>ANNEX "A-2" – Revised Manual on Corporate Governance (at page 11</p> <p>The parent company of MJC Investments Corp, Manila Jockey Club Inc., is a unionized establishment. Said company incorporated a streamlined process for negotiation and dispute resolution within in its collective bargaining agreements or CBA's.</p> <p>The union officers and the management likewise work hand-in-hand in creating an environment which promotes negotiation and compliance with grievance procedures, thereby strengthening their working relationships, and at the same time resulting in an efficient and effective resolutions of problems and issues.</p>	
<p>Additional Recommendations to Principle 14</p>			
<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>	<p>Non-Compliant (see explanation)</p>	<p>.</p>	<p>The Company herein requests that some issues of non-compliance stated in this I-ACGR be deferred until the next ASM of the Company where the Board and the Stockholders will formally convene, in order that the latter may thoroughly evaluate the need for the reorganization of the company's Corporate Governance system.</p>

2. Company respects intellectual property rights.	Compliant		
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare			
2. Company discloses its policies and practices that address supplier/contractor selection procedures			
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Compliant	ANNEX "J" – Role of Stakeholders	
Supplement to Recommendation 15.1			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	Compliant	MIC has in place a merit-based performance incentive mechanism, particularly a stock option plan (ESOP) which awards and incentivizes employees and executives, at the same time aligns their interests with those of the shareholders.	
2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	ANNEX "K" – Policy on Health and Safety	

3. Company has policies and practices on training and development of its employees.	Compliant	ANNEX "J" – Role of Stakeholders	
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	ANNEX "D" – Code of Business Conduct Ethics ANNEX "J" – Role of Stakeholders	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.		ANNEX "D" Department Heads have the responsibility for the monitoring, ensuring, and enforcing compliance with this Code within their area of jurisdiction. The Department Heads shall also be responsible for the dissemination thereof and reporting non-compliance with this Code to their hierarchy or the Corporate Governance Office whenever appropriate, including taking or implementing disciplinary actions after proper exercise of due process.	
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	Compliant	ANNEX "D" – Code of Business Conduct Ethics ANNEX "J" – Role of Stakeholders	
Recommendation 15.3			

1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Compliant	Annex "J-1" - Policy on Whistle-Blowing	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant	Annex "J-1" - Policy on Whistle-Blowing	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	Annex "J-1" - Policy on Whistle-Blowing	

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

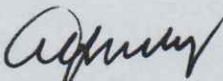
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	Compliant	Corporate Social Responsibility http://www.mjcinvestmentscorp.com/csr.php	
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Optional: Principle 16

1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development		Identify or provide link/reference to policies, programs and practices to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development.	
2. Company exerts effort to interact positively with the communities in which it operates		Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.	

Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of PASIG CITY on 30 MAY 2019 2019.

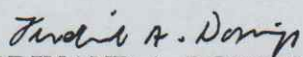
SIGNATURES


ALFONSO R. REYNO, JR.
Chairman of the Board & CEO


VICTOR P. LAZATIN
Independent Director


BERNADETTE V. QUIROZ
Independent Director


LEMUEL M. SANTOS
Compliance Officer


FERDINAND A. DOMINGO
Corporate Secretary

SUBSCRIBED AND SWORN to before me this MAY 30 2019, affiant(s) exhibiting to me their Tax Identification Nos., as follows:

NAME	TAX IDENTIFICATION NO.	PLACE OF ISSUE
ALFONSO R. REYNO, JR.	114-555-166	Philippines
VICTOR P. LAZATIN	125-673-098	Philippines
BERNADETTE V. QUIROZ	214-127-786	Philippines
LEMUEL M. SANTOS	143-405-790	Philippines
FERDINAND A. DOMINGO	145-006-236	Philippines

NOTARY PUBLIC

Doc No. 156
Page No. 70
Book No. 58
Series of 2019

FERDINAND B. AYAHAO
NOTARY PUBLIC
Until December 31, 2019
Appointment No. 106(2018-2019)
For Pasig City, Pateros and San Juan City
Attorney's Roll No. 06277
IBP LRN 02459; O.R. No. 5030 for 06-21-2001
MCLE No. VI-001-031-0-1-19
PTR No. 5174565; 01-04-19, 03-04-19
4F Golding Tower, 1st Floor, Ma. Escalante Drive
Cebu City, Cebu, Philippines

ANNEX "A"

**DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY
AS OF DECEMBER 31, 2018**

Position	Name	Nationality	Age	Term of Office	Period
Chairman of the Board, CEO	Alfonso R. Reyno, Jr.	Filipino	75	10	2009-2018
Vice Chairman	Chai Seo Meng	Singaporean	56	3	2016-2018
President & COO	Jeffrey Rodrigo L. Evora	Filipino	49	4 months	2018
Director, Treasurer & CFO	Jose Alvaro D. Rubio	Filipino	66	4	2014-2018
Director	Alfonso Victorio G. Reyno III	Filipino	49	10	2009-2018
Director & Assistant Corporate Secretary	Gabriel A. Dee	Filipino	55	6	2013-2018
Director	John Anthony B. Espiritu	Filipino	56	7	2012-2018
Director	Dennis Ryan C. Uy	Filipino	41	5	2014-2018
Director	Walter L. Mactal	Filipino	36	3	2016-2018
Independent Director	Victor P. Lazatin	Filipino	72	10	2009-2018
Independent Director	Laurito E. Serrano	Filipino	59	5	2014-2018
Corporate Secretary General Counsel	Ferdinand A. Domingo	Filipino	67	5	2014-2018
Corporate Information Officer	Lemuel M. Santos	Filipino	68	5	2014-2018

ALFONSO R. REYNO, JR.

Filipino, born on 8th of July 1944. He graduated from the University of the Philippines in 1965 with a degree of Bachelor of Arts, Political Science and finished his Bachelor of Laws degree in the same school in 1969. He formerly occupied the following government positions: Deputy Minister of Defense (1984-1986), Member of the Batasang Pambansa (1984-1986), Vice Governor of Cagayan (1980-1984), and Member of the Board of Trustees of the Cagayan State University (1979-1986). He is affiliated with and occupies the following positions in various institutions during the last five (5) years, viz: Chairman and CEO, Manila Jockey Club, Inc. (March 1, 1997 to present), Chairman and President, Arco Management & Development Corporation, Arco Equities, Inc., Arco Ventures, Inc. (1995 to present), Bonaventure Development Corporation (1983 to present); Managing Partner, Reyno Tiu Domingo & Santos Law Offices (1976 to present). He resides at No. 4 Pili Road, South Forbes Park, Makati City.

CHAI SEO MENG

Chai Seo Meng, Singaporean, 56 years of age, is the Corporation's new Vice-Chairman. As of 2 May 2018, he has served as a director of the Corporation starting

year 2017 or more or less, for one (1) year. He received a Bachelor of Business Administration degree from the National University of Singapore in 1987. From June 1992 to October 2004, he worked at the United Overseas Bank Limited as a Senior Trader for Foreign Exchange by providing assistance to the head of foreign exchange advisory on the management of the Advisory desk. Mr. Chai also became the Head of Foreign Exchange at Nomura Singapore Limited from October 2004 until February 2009. Presently, he practices Private Consultation and provides various wealth management and financial advisories to various business sectors.

JEFFREY RODRIGO L. EVORA

Filipino, born on 19 May 1969. After graduating from the Philippine Science High School, Mr. Evora continued his tertiary education with a degree of Associate in Science, Hotel Operations at the University of Hawaii Maui College and finished his Bachelor of Science major in Business Administration degree from the University of Phoenix. He started his professional career in the hospitality industry at a restaurant in Wailuku, HI, United States of America, before working as a Night Auditor at Maui Kai Condominiums. He also worked as an Auditor of Hyatt Regency Maui before moving to Las Vegas in 1993 where he started his career in the casino industry at the Flamingo Hilton Las Vegas. He held key positions in various casinos in the United States of America such as Lady Luck Gaming Corporation, Boyd Gaming Corporation, Ameristar Gaming Corporation, Harrah's Entertainment Corporation, and ultimately for Seneca Niagara Casino & Hotel, before accepting a position in a private corporation in Manila as Vice President of Marketing in 2009. In 2017, Mr. Evora assumed the role of Chief Operating Officer of Winford Manila Resort & Casino.

JOSE ALVARO D. RUBIO

Filipino, 66 years of age, is the Corporation's Treasurer and Chief Finance Officer. As of 2 May 2018, he has served as a director of the Corporation starting year 2014 or, more or less, for four (4) years. He was the Senior Vice President at Philippine National Bank ("PNB") and has over thirty five (35) years of banking industry experience, including various positions in international banking, remittance, budgeting, corporate planning, controllership, systems design/improvement, branch banking, audit and lending operations including the head of the corporate banking group at PNB, overseeing the financing activities for major corporate accounts in areas including real estate, construction, telecommunications, power and energy, manufacturing, hotels, tourism and services. He was a former member and Director of the Bank Administration Institute of the Philippines, an association of local and foreign banks. He graduated from University of the East with a degree of Bachelor of Science in Business Administration major in Accounting (Cum Laude) and is a Certified Public Accountant.

ALFONSO VICTORIO G. REYNO III

Filipino, 49 years of age, a lawyer by profession, is the Corporation's Vice-President. As of 2 May 2018, he has served as a director of the Corporation starting year 2009 or, more or less, for nine (9) years. He is affiliated with and occupies the following positions in various institutions in the last five (5) years, viz: President and

COO, Manila Jockey Club, Inc., President, Arco Ventures, Inc. (1995 to present), Director, Arco Management & Development Corporation, Bonaventure Development Corporation, Arco Equities, Inc., Junior Partner, Reyno Tiu Domingo & Santos Law Offices (1999 to present). He is currently a Director of the Philippine Bar Association.

GABRIEL A. DEE

Filipino, 55 years of age, is as a director of the Corporation starting year 2013, for, more or less, five (5) years, as of 2 May 2018. He graduated from the University of the Philippines in 1984 with a degree of Bachelor of Arts major in History and finished his Bachelor of Laws in the same school in 1988. He finished his MBA Units in Ateneo De Manila Graduate School of Business in 1992. He is affiliated with and occupies the following positions in various institutions in the last five (5) years, viz: Senior Partner, Picazo Buyco Tan Fider & Santos Law Offices (2006 to present), Junior Partner, Picazo Buyco Tan Fider & Santos Law Offices (1994 to 2006), Senior Associate, Bautista Picazo Buyco Tan & Fider Law Offices (1992 to 1994), Junior Associate, Bautista Picazo Buyco Tan & Fider Law Offices (1988 to 1992) and Research Assistant, University of the Philippines, College of Law (1998).

JOHN ANTHONY B. ESPIRITU

Filipino, 56 years of age, is as a director of the Corporation starting year 2012, for, more or less, six (6) years, as of 2 May 2018. He graduated from University of Michigan, Ann Arbor, Michigan, United States with a degree of Bachelor of Business Administration in May 1985. He also obtained from said university his master's degree in Business Administration in May 1990. He occupied and is currently holding the following positions in the last five (5) year: President/Director of EBE Land, Inc. (January 1997 to present); Chairman / Publisher of the Philippine News, San Francisco, California (November 2004 to present); Director of Asia-Pacific Medical Corp of Saipan, Northern Marianas Islands (June 1998 to present). He resides at Penthouse B, Ritz Towers, Ayala Avenue, Makati City.

DENNIS RYAN C. UY

Filipino, 41 years of age, is as a director of the Corporation starting year 2014, for, more or less, four (4) years, as of 2 May 2018. Mr. Uy is an experienced industrial engineer who obtained his bachelor's degree from the Mapua Institute of Technology in 1999. The last fourteen (14) years of his career was spent in the areas of systems improvement and automation, investment planning, asset management, and cost engineering across various multinational firms. He holds a Master of Business Administration degree from the Ateneo de Manila University.

WALTER L. MACTAL

Filipino, 37 years of age, as of 2 May 2018, has served as a director of the Corporation starting 2017 or for, more or less, one (1) year. He received an A.B.

Economics degree from the Ateneo De Manila University in 2004. He obtained his Juris Doctor from the Ateneo de Manila University - School of Law in 2008. He was admitted to the Philippine Bar in 2009 and he continued working in a private law firm in Makati City until March 2012. Presently, Mr. Mactal works as a Director for Legal and Corporate Affairs in a private company in the Philippines. He has a broad legal experience in litigation, labor relations, contract drafting and negotiation, intellectual property, and various corporate compliance services.

VICTOR P. LAZATIN

Filipino, 72 years of age, is the Corporation's Independent Director. As of 2 May 2018, he has served as a director of the Corporation starting year 2009 or for, more or less, nine (9) years. He graduated from University of the Philippines with a degree of AB Economics in 1967 and finished his Bachelor of Laws degree in the same school in 1971 (Cum Laude). He obtained a Masters of Law from University of Michigan in 1974. He resides at 237 West Batangas St., Ayala Alabang, Muntinlupa City. In the last five (5) years or more, he is affiliated with and occupied the following positions in various institutions, viz: Director, ACCRA Investment Corporation (1980-2008), Corporate Secretary/Director, Wide Wide World Express (1995-2008), Corporate Secretary, Oribanex Holdings (1996-2008), Chairman, Timog Silangan Development Corp. (1976-2008), President, Devinelle Provident lands, Inc. (1995-2008), President, Banana d' Or (2001-2008), President, Brodhas Realty Inc. (2000-2008), Senior Partner, Angara Abello Concepcion Regala & Cruz Law Offices (2002 to present).

LAURITO E. SERRANO

Filipino, 59 years of age, is the Corporation's Independent Director. As of 2 May 2018, he has served as a director of the Corporation starting year 2014 or for, more or less, four (4) years. He is a Certified Public Accountant with a Master of Business Administration degree from the Harvard Graduate School of Business. He currently serves as an Independent Director and Chairman of the Audit and Risk Management Committee of Atlas Consolidated Mining and Development Corporation. He is also a director of the Philippine Veterans Bank and a member of its Corporate Governance and Audit Committees; an independent director of the APC Group, Inc.; and a director of MRT Development Corporation, among others. Mr. Serrano is also a former partner of the Corporate Finance Consulting Group of SyCip Gorres Velayo & Co. (SGV & Co.).

FERDINAND A. DOMINGO

Filipino, 67 years of age, is the Corporation's Corporate Secretary and General Counsel starting year 2014 or for, more or less, four (4) years, as of 2 May 2018. He graduated from the University of the Philippines in 1972 with a degree of Bachelor of Arts in Political Science and finished his Bachelor of Laws degree in the same school in 1977. In the last five (5) years or more he is affiliated with and occupies the following positions in various institutions, viz: Senior Partner, Reyno Tiu Domingo & Santos Law Offices (1 September 1991 to present); Corporate Secretary and General Counsel,

Manila Jockey Club, Inc. (up to present); Corporate Secretary and General Counsel, MJC Investments Corporation (up to present); President, Aries Prime Resources, Inc., (10 July 2003 to 2009); Director, United Overseas Bank (May 2001 to July 2002); Corporate Secretary, Westmont Bank (17 May 2000 to 16 January 2004); Director, PNB Holdings Ltd. and PNB Hongkong Branch (1998 to February 2000); Bank Attorney, Philippine National Bank (1978-1984); Corporate Secretary, Philippine Racing Club, Inc. (1994-1997); Legal Counsel and Corporate Secretary, National Steel Corporation (3 May 1995 to March 1997). He resides at No. 14 Lopez Jaena Street, Ayala Heights, Quezon City.

LEMUEL M. SANTOS

Filipino, 68 years of age, is the Corporation's Corporate Information and Compliance Officer starting year 2014 or for, more or less, four (4) years, as of 2 May 2018. He graduated from the University of the Philippines in 1973 with a degree of Bachelor of Arts in Political Science and finished his Bachelor of Laws degree in the same school in 1977. In the last five (5) years or more, he is affiliated with and occupies the following positions in various institutions, viz: Partner, Reyno, Tiu, Domingo & Santos Law Offices (1991 up to present); Assistant Corporate Secretary, Manila Jockey Club, Inc. (up to present); Corporate Information and Compliance Officer, MJC Investments Corporation (up to present). He resides at 84 D. Tuason Street, B.F. Homes, Parañaque, 1718, Metro Manila.

Significant Employees

There are no employees not included in the list of executive officers who are expected to provide significant contribution to the business.

Family Relationships

Alfonso V.G. Reyno III is the son of Alfonso R. Reyno, Jr.

Involvement in Certain Legal Proceedings

To the knowledge and/or information of the corporation, the present members of the Board of Directors or the Executive Officers are not, presently, or during the last six (6) years, involved or have been involved in criminal, bankruptcy or insolvency investigations or proceedings.

External Audit Fees and Audit-Related Fees

The Corporation expects to pay its external auditor, SGV & Co., an aggregate amount of ₱1,120,000.00 as professional fees for the audit of its annual financial statements for the year ended 31 December 2018. There was an increase in the audit

fee due to increased volume of transactions as the Corporation is in the final stage of the developing a hotel-entertainment casino. Also, SGV is tasked to review the operational procedures for gaming operations, which the Audit Committee approved. No other fees were paid to said team of auditors for other services.

The engagement of an external auditor as well as the type of services to be rendered to the Corporation is being evaluated by the Audit Committee and recommended to the Board. Likewise, the payment of audit fees is being evaluated by the same committee prior to remittance.

In the past two (2) years, the Corporation paid its external auditors the following fees:

	<u>Audit Fees (with VAT)</u>
2017	₱896,000.00
2018	₱1,120,000.00

There were no disagreements with the SGV & Co. on any matter of accounting and financial disclosures.

ANNEX "A-1"**BOARD OF DIRECTORS AND TYPE OF DIRECTORSHIP**

1) Board of Directors

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Shown below is the Table with information on the Board of Directors:

Director's Names	Type of Directorship (ED, NED, ID)	Term of Office (Start Date to End Date)	Nomination Date	Date first elected	Date last elected	Elected when (Annual/Special Meeting)	No. of years served as director
Alfonso R. Reyno, Jr.	ED			June 27, 2008	June 28, 2018	Annual Meeting	10
Chai Seo Meng	ED			June 29, 2017	June 28, 2018	Annual Meeting	3
Jose Alvaro D. Rubio	ED			June 27, 2014	June 28, 2018	Annual Meeting	5
Alfonso Victorio G. Reyno III	ED			June 27, 2008	June 28, 2018	Annual Meeting	10
Gabriel A. Dee	ED			July 09, 2013	June 28, 2018	Annual Meeting	6
Jeffrey Rodrigo L. Evora	ED			August 2, 2018	June 28, 2018	Annual Meeting	
John Anthony B. Espiritu	NED			June 27, 2008	June 28, 2018	Annual Meeting	7
Dennis Ryan C. Uy	NED			June 27, 2014	June 28, 2018	Annual Meeting	5
Walter L. Mactal	NED			June 29, 2017	June 28, 2018	Annual Meeting	3
Victor P. Lazatin	ID			June 27, 2008	June 28, 2018	Annual Meeting	10

¹ Reckoned from the election immediately following January 2, 2014.

DIRECTORSHIP IN OTHER COMPANIES

(i) Directorship in the Company's Group²

Members of the company's Board of Directors who hold the office of director in other companies within its Group:

Director's Name	Corporate Name	Type of Directorship Executive, Non-Executive, Independent
Alfonso R. Reyno, Jr.	MJC Investments Corp.	ED - Chairman
Alfonso V. G. Reyno III	MJC Investments Corp.	ED
John Anthony B. Espiritu	MJC Investments Corp.	NED

(ii) Directorship in Other Listed Companies

Members of the company's Board of Directors who are also directors of publicly-listed companies outside of its Group: None

(iii) Relationship within the Company and its Group

Relations among the members of the Board of Directors, which links them to significant shareholders in the company and/or in its group:

Alfonso R. Reyno, Jr.	Arco Management and Development Corporation	Chairman
	Arco Equities, Inc. (AEI)	Chairman
	Arco Ventures, Inc. (AEI)	Chairman
Alfonso V.G. Reyno III	Arco Ventures, Inc.	ED
	Arco Management and Development Corporation	NED

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

	Bonaventure Development Corporation	NED
	Arco Equities, Inc.	NED

- (ii) The company has set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously. In particular, the limit of five board seats in other publicly listed companies has been imposed and observed.

<u>Executive Director</u> <u>Non-Executive Director</u> <u>CEO</u>	The optimum number of directorships that the CEO and other executive directors can hold in other companies should take into consideration the capacity of such director to diligently and efficiently perform his duties and responsibilities.	The CEO and other executive directors may be covered by a lower indicative limit for membership in other boards. A similar limit may apply to independent or non-executive directors who, at the same time, serve as full-time executives in other corporations. In any case, the capacity of the directors to diligently and efficiently perform their duties and responsibilities to the boards they serve should not be compromised.
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- (iii) Shareholding in the Company

Shown below is the table on the members of the company's Board of Directors and Officers who directly and indirectly own shares in the company:

Class of Shares	Name of Beneficial Owner	Number of Shares	Percent of Class
Common	ALFONSO R. REYNO, JR.	26,320,408	0.83%

	12/F Strata 100 Building, F. Ortigas Road, Ortigas Center, Pasig City	Direct	
Common	CHAI SEO MENG 1 Amber Road #06-02 Singapore 439845	1 Direct	Nil
Common	JOSE ALVARO D. RUBIO 46 Bridgestone Drive, Bridgestone Park, Pasig City	1 Direct	Nil
Common	ALFONSO V.G. REYNO III 12/F Strata 100 Building, F. Ortigas Road, Ortigas Center, Pasig City	1 Direct	Nil
Common	JOHN ANTHONY B. ESPIRITU 12/F Strata 100 Building, F. Ortigas Road, Ortigas Center, Pasig City	1 Direct	Nil
Common	GABRIEL A. DEE 19/F Liberty Center, 104 H.V. De La Costa Street, Makati City	1 Direct	Nil
Common	WALTER L. MACTAL 12/F Strata 100 Building, F. Ortigas Road, Ortigas Center, Pasig City	1 Direct	Nil
Common	DENNIS RYAN C. UY 19825 Cherry Street, Executive Heights Subdivision, Parañaque City	1 Direct	Nil
Common	VICTOR P. LAZATIN 237 West Batangas Street, Ayala Alabang, Muntinlupa City	1 Direct	Nil
Common	LAURITO E. SERRANO 4205C Madras Street, Makati City	1 Direct	Nil
Common	CHERRYLYN G. PRADO-CAOILE 18/F Liberty Center, 104 H.V. De La Costa Street, Makati City	1 Direct	Nil
Common	FERDINAND A. DOMINGO 12/F Strata 100 Building, F. Ortigas Road, Ortigas Center, Pasig City	240,022 Direct	0.01%
Common	LEMUEL M. SANTOS 12/F Strata 100 Building, F. Ortigas Road, Ortigas Center, Pasig City	1 Direct	Nil
Common	All Directors and Officers	26,560,441	0.84%

COVER SHEET

ANNEX "A-2"

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S.E.C. Registration Number

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(Company's Full Name)

W	I	N	F	O	R	D		H	O	T	E	L		A	N	D		C	A	S	I	N	O	,		M	J	C
D	R	I	V	E	,	S	T	A	.		C	R	U	Z	,		M	A	N	I	L	A						

(Business Address : No. Street City / Town / Province)

ATTY. LEMUEL M. SANTOS

Contact Person

632-7373

Company's Telephone Number

1	2
---	---

Month
Fiscal Year

3	1
---	---

Day

2017 MANUAL ON CORPORATE GOVERNANCE

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FORM TYPE

0	6
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Month
Annual Meeting

2	9
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Day

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Secondary License Type, if Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

Total Amount of Borrowings

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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File Number

LCU

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Document I.D.

Cashier

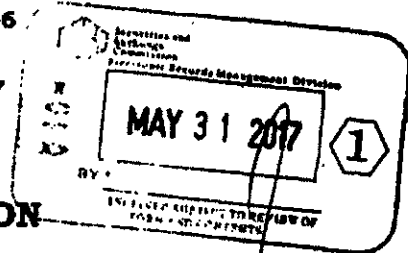
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MJC Drive, Sta. Cruz, Manila
Tel No. 632-7373/Fax No. 631-2846

31 May 2017



SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA Greenhills
Mandaluyong City

ATTENTION: DIR. JUSTINA F. CALLANGAN
Corporate Governance and Finance

Department

PHILIPPINE STOCK EXCHANGE, INC.
3F, PSE Plaza, Ayala Triangle,
Ayala Avenue, Makati City

ATTENTION: JOSE VALERIANO B. ZUÑO III
OIC - Disclosure Department

Re : **MANUAL ON CORPORATE GOVERNANCE (MAY 2017)**

Madam/Sir:

Pursuant to SEC Memorandum Circular No. 19 (series of 2016), or the Code of Corporate Governance for Publicly-Listed Companies, **MJC INVESTMENTS CORPORATION** submits its Manual on Corporate Governance, effective May 2017.

Thank you.

Yours truly,

A handwritten signature in black ink, appearing to read 'Lemuel M. Santos'.
LEMUEL M. SANTOS
Compliance Officer



MJC Drive, Sta. Cruz, Manila
Tel No. 632-7373/Fax No. 631-2846

MANUAL ON CORPORATE GOVERNANCE

(May 2017)

Adopting the Provisions of the
Code of Corporate Governance for
Publicly-Listed Companies
Effective 01 January 2017

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I. INTRODUCTION

VISION

MJC Investments Corporation (hereinafter, "Corporation") desires to maximize the Corporation's long-term success, creating sustainable value for its shareholders, stakeholders, and the nation by committing to work in achieving the mission of the Corporation through the consistent pursuit of its core values.

MISSION

The Corporation, through its board of directors and management, commit 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 best interests of its stockholders and other stakeholders.

CORE VALUES

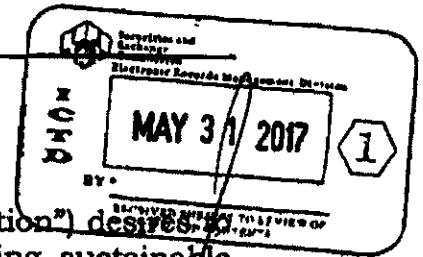
The Corporation recognizes its responsibility to its stockholders and the public to ensure that the Corporation is headed by a competent and working board of directors committed to achieving the Corporation's objectives, while establishing appropriate disclosure and transparency policies and procedures; maintaining a strong and effective internal control system; and cultivating a synergic relationship with its stockholders.

COMMITMENT STATEMENT

The Board of Directors and Management of the Corporation hereby commit themselves to the principles and best practices contained in this Manual on Corporate Governance (hereinafter, "Manual") and acknowledge the same as a guide to the attainment of their corporate goals.

PURPOSE OF THE MANUAL

Through this Manual, the Corporation seeks to institutionalize the principles and best practices of good corporate governance in the entire organization, in the belief that good corporate governance is a critical component of sound strategic business management.



II. DEFINITION OF TERMS

Corporate Governance – the system of stewardship and control to guide organizations in fulfilling their long-term economic, moral, legal and social obligations towards their stakeholders.

Corporate governance is a system of direction, feedback and control using regulations, performance standards and ethical guidelines to hold the Board and senior management accountable for ensuring ethical behavior – reconciling long-term customer satisfaction with shareholder value – to the benefit of all stakeholders and society.

Its purpose is to maximize the organization's long-term success, creating sustainable value for its shareholders, stakeholders and the nation.

Board of Directors – the governing body elected by the stockholders that exercises the corporate powers of a corporation, conducts all its business and controls its properties.

Conglomerate – a group of corporations that has diversified business activities in varied industries, whereby the operations of such businesses are controlled and managed by a parent corporate entity.

Exchange – an organized market place or facility that brings together buyers and sellers, and executes trades of securities and/or commodities.

Internal control – a process designed and effected by the board of directors, senior management, and all levels of personnel to provide reasonable assurance on the achievement of objectives through efficient and effective operations; reliable, complete and timely financial and management information; and compliance with applicable laws, regulations, and the organization's policies and procedures.

Management – the body given the authority by the Board of Directors to implement the policies it has laid down in the conduct of the business of the corporation.

Independent director – a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director.

Internal audit department – a department or unit of the corporation and its consultants, if any, that provide independent and objective

assurance services in order to add value to and improve the corporation's operations.

Executive director – a director who is also the head of a department or unit of the corporation or performs any work related to its operation.

Non-executive director – a director who is not the head of a department or unit of the corporation nor performs any work related to its operation.

Non-audit work – the other services offered by an external auditor to a corporation that are not directly related and relevant to its statutory audit functions, such as, accounting, payroll, bookkeeping, reconciliation, computer project management, data processing, or information technology outsourcing services, internal audit, and other services that may compromise the independence and objectivity of an external auditor.

Related Party – shall cover the company's subsidiaries, as well as affiliates and any party (including their subsidiaries, affiliates and special purpose entities), that the company exerts direct or indirect control over or that exerts direct or indirect control over the company; the company's directors; officers; shareholders and related interests (DOSRI), and their close family members, as well as corresponding persons in affiliated companies. This shall also include such other person or juridical entity whose interest may pose a potential conflict with the interest of the company.

Related Party Transactions – a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. It should be interpreted broadly to include not only transactions that are entered into with related parties, but also outstanding transactions that are entered into with an unrelated party that subsequently becomes a related party.

Stakeholders – any individual, organization or society at large who can either affect and/or be affected by the company's strategies, policies, business decisions and operations, in general. This includes, among others, customers, creditors, employees, suppliers, investors, as well as the government and community in which it operates.

III. THE BOARD OF DIRECTORS

The Corporation shall be headed by a competent, working Board of Directors (hereinafter, "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. Corollary to setting the policies for the accomplishment of the corporate objectives, it shall provide an independent check on Management.

A) Composition of the Board

The Board shall be composed of at least five (5), but not more than fifteen (15), members who are elected by the stockholders.

The Corporation shall have at least two (2) independent directors or such number of independent directors that constitutes twenty percent (20%) of the members of the Board, whichever is lesser, but in no case less than two (2), pursuant to the Corporation's By-Laws.

The membership of the Board may be a combination of executive and non-executive directors (which include independent directors) in order that no director or small group of directors can dominate the decision-making process.

The non-executive directors should possess such qualifications and stature that would enable them to effectively participate in the deliberations of the Board.

B) Multiple Board Seats

The Board may consider the adoption of guidelines on the number of directorships that its members can hold in stock and non-stock corporations. The optimum number should take into consideration the capacity of a director to diligently and efficiently perform his duties and responsibilities.

The Chief Executive Officer (hereinafter, "CEO") and other executive directors may be covered by a lower indicative limit for membership in other boards. A similar limit may apply to independent or non-executive directors who, at the same time, serve as full-time executives in other corporations. In any case, the capacity of the directors to diligently and efficiently perform their duties and responsibilities to the boards they serve should not be compromised.

C) The Chairman of the Board and Chief Executive Officer

The roles of Chairman and CEO should, as much as practicable, be separate to foster an appropriate balance of power, increased

accountability and better capacity for independent decision-making by the Board. A clear delineation of functions should be made between the Chair and CEO upon their election.

The roles and responsibilities of the Chairman, among others, are as follows:

- a. Makes certain that the meeting agenda focuses on strategic matters, considering the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations;
- b. Guarantees that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions;
- c. Facilitates discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors;
- d. Ensures that the Board sufficiently challenges and inquires on reports submitted and representations made by Management;

The roles and responsibilities of the CEO, among others, are as follows:

- a. Determines the corporation's strategic direction and formulates and implements its strategic plan on the direction of the business;
- b. Communicates and implements the corporation's vision, mission, values and overall strategy and promotes any organization or stakeholder change in relation to the same;
- c. Oversees the operations of the corporation and manages human and financial resources in accordance with the strategic plan;
- d. Has a good working knowledge of the corporation's industry and market and keeps up-to-date with its core business purpose;
- e. Directs, evaluates and guides the work of the key officers of the corporation;
- f. Manages the corporation's resources prudently and ensures a proper balance of the same;
- g. Provides the Board with timely information and interfaces between the Board and the employees;
- h. Builds the corporate culture and motivates the employees of the corporation; and
- i. Serves as the link between internal operations and external stakeholders.

If the positions of Chair and CEO are united the proper checks and balances should be laid down to ensure that the Board gets the benefit of independent views and perspectives.

D) Qualifications of Directors

In addition to the qualifications for membership in the board provided for in the Corporation Code, Securities Regulation Code and other relevant laws, the board may provide for additional qualifications which include, among others, the following:

- (1) possess the knowledge, understanding, skills, experience, independence of mind given their responsibilities to the Board and in light of the entity's business;
- (2) have a record of integrity and good repute;
- (3) have sufficient time to carry out their responsibilities;
- (4) Membership in good standing in relevant industry, business or professional organizations; and
- (5) have the ability to promote a smooth interaction between board members.

E) Disqualification of Directors

1. Permanent Disqualification

The following shall be grounds for the permanent disqualification of a director:

- (i) Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them.
- (ii) Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Securities and Exchange Commission (hereinafter, "Commission"), Bangko Sentral ng Pilipinas (hereinafter, "BSP"), or any court or administrative body of competent jurisdiction form:

(a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.

This disqualification shall also apply if such person is the subject of an order of the Commission, BSP, or any court or administrative body denying, revoking or suspending any registration license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the Commission or Bangko Sentral ng Pilipinas (BSP), or under any rule or regulation issued by the Commission or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with member or participant of the organization.

- (iii) Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts.
- (iv) Any person who has been adjudged by final judgment or order of the Commission, BSP, court or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporation Code, Securities Regulation Code or any other law administered by the Commission or BSP, or any of its rule regulation or order.
- (v) Any person earlier elected as independent director who becomes an officer, employee or consultant of the same corporation.
- (vi) Any person judicially declared as insolvent.

- (vii) Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated previously.
- (viii) Conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment.

2. Temporary Disqualification

The board may provide for the temporary disqualification of a director for any of the following reasons:

- (i) Absence in more than fifty percent (50%) of all regular and special meetings of the Board during his incumbency, or any 12-month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the succeeding election.
- (ii) Dismissal or termination for cause as director of any publicly-listed company, public company, registered issuer of securities and holder of a secondary license from the Commission. The disqualification should be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination.
- (iii) If the beneficial equity ownership of an independent director in the corporation or its subsidiaries and affiliates exceeds two percent (2%) of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with;
- (iv) If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.

F) Responsibilities, Duties and Functions of the Board

1. General Responsibility

The Corporation shall 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. Corollary to setting the policies for the accomplishment of the corporate objectives, it shall provide an independent check on Management. The Board should formulate the corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance.

2. Duties and Functions

To ensure a high standard of best practice for the corporation and its stockholders and other stakeholders, the Board should conduct itself with honesty and integrity in the performance of, among others, the following duties and functions:

- a) Implement a process for the selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies. Appoint competent, professional, honest and highly-motivated management officers. Adopt an effective succession planning program for Management.
- b) Provide sound strategic policies and guidelines to the corporation on major capital expenditures. Establish programs that can sustain its long-term viability and strength. Periodically evaluate and monitor the implementation of such policies and strategies., including the business plans, operating budgets and Management's overall performances.
- c) Ensure the corporation's faithful compliance with all applicable laws, regulations and best business practices.
- d) Establish and maintain an investor relations program that will keep the stockholders informed of important developments in the corporation. If feasible, the corporation's CEO or chief financial officer shall exercise oversight responsibility over this program.
- e) Identify the corporation's stakeholders in the community in which the corporation operates or are directly affected by its operations, and formulate a

clear policy of accurate, timely and effective communication with them.

- f) Adopt a system of check and balance within the Board. A regular review of the effectiveness of such system should be conducted to ensure the integrity of the decision-making and reporting processes at all times. There should be a continuing review of the corporation's internal control system in order to maintain its adequacy and effectiveness.
- g) Identify key risk areas and performance indicators and monitor these factors with due diligence to enable the corporation to anticipate and prepare for possible threats to its operational and financial viability.
- h) Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the corporation and its parent company, joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board.
- i) Constitute an Audit Committee and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities.
- j) Establish and maintain an alternative dispute resolution system in the corporation that can amicably settle conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including the regulatory authorities.
- k) Meet at such times or frequency as may be needed. The minutes of such meetings should be duly recorded. Independent views during Board meetings should be encouraged and given due consideration.
- l) Keep the activities and decisions of the Board within its authority under the articles of incorporation and by-laws, and in accordance with existing laws, rules and regulations.

G) Specific Duties and Responsibilities of a Director

A director's office is one of trust and confidence. A director should act in the best interest of the corporation in a manner characterized by transparency, accountability and fairness. He should also exercise leadership, prudence and integrity in directing the corporation towards sustained progress.

A director should observe the following norms of conduct:

- (i) Conduct fair business transactions with the corporation and ensure that his personal interest does not conflict with the interests of the corporation.**

The basic principle to be observed is that a director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of director, he should fully and immediately disclose it and should not participate in the decision-making process. A director who has a continuing material conflict of interest should seriously consider resigning from his position.

A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the corporation, or stands to acquire or gain financial advantage at the expense of the corporation.

- (ii) Devote the time and attention necessary to properly and effectively perform his duties and responsibilities.**

A director should devote sufficient time to familiarize himself with the corporation's business. He should be constantly aware of and acknowledgeable with the corporation's operations to enable him to meaningfully contribute to the Board's work. He should attend and actively participate in Board and committee meetings, review meeting materials and if called for, ask questions or seek explanation.

(iii) Act judiciously.

Before deciding on any matter brought before the Board, a director should carefully evaluate the issues and, if necessary, make inquiries and request clarification.

(iv) Exercise independent judgment.

A director should view each problem or situation objectively. If a disagreement with other directors arises, he should carefully evaluate and explain his position. He should not be afraid to take an unpopular position. Corollarily, he should support plans and ideas that he thinks are beneficial to the corporation.

(v) Have a working knowledge of the statutory and regulatory requirements that affect the corporation, including its articles of incorporation and by-laws, the rules and regulations of the Commission and, where applicable, the requirements of relevant regulatory agencies.

A director should also keep abreast with industry developments and business trends in order to promote the corporation's competitiveness.

(vi) Observe confidentiality.

A director should keep secure and confidential all non-public information he may acquire or learn by reason of his position as director. He should not reveal confidential information to authorized persons without the authority of the Board.

H) Internal Control Responsibilities of the Board.

The control environment of the corporation consists of (a) the Board which ensures that the corporation is properly and effectively managed and supervised; (b) a Management that actively manages and operates the corporation in a sound and prudent manner; (c) the organizational and procedural controls supported by effective management information and risk management reporting systems; and (d) an independent audit mechanism to monitor the adequacy and effectiveness of the corporation's governance, operations, and information systems, including the reliability and integrity of financial operations, the

safeguarding of assets, and compliance with laws, rules, regulations and contracts.

- (i) The minimum internal control mechanisms for the performance of the Board's oversight responsibility may include:
 - a) Definition of the duties and responsibilities of the CEO who is ultimately accountable for the corporation's organizational and operational controls.
 - b) Selection of the person who possesses the ability, integrity and expertise essential for the position of CEO;
 - c) Evaluation of proposed senior management appointments;
 - d) Selection and appointment of qualified and competent management officers; and
 - f) Review for the corporation's human resource policies, conflict of interest situations, compensation program for employees and management succession plan.
- (ii) The corporation shall establish an internal audit system that can reasonably assure the Board, Management and stockholders that its key organizational and operational controls are faithfully complied with. The Board may appoint an Internal Auditor to perform the audit function, and may require him to report to a level in the organization that allows the internal audit activity to fulfill its mandate. The Internal Auditor shall be guided by the International Standards on Professional Practice of Internal Auditing.

I) Board Meetings and Quorum Requirement

The members of the Board should 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, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent them from doing so. In Board and Committee meetings, the director should review

meeting materials and if called for, ask the necessary questions or seek clarifications and explanations.

Independent directors should always attend Board meetings. Unless otherwise provided in the by-laws, their absence shall not affect the quorum requirement. However, the Board may, to promote transparency, require the presence of at least one independent director in all its meeting.

To monitor the director's compliance with the attendance requirements, corporations shall submit to the Commission, on or before January 30 of the following year, a sworn certification about the directors' record of attendance in Board meetings. The certification may be submitted through SEC Form 17-C in a separate filing.

J) Remuneration of Directors and Officers

The levels of remuneration of the corporation should be sufficient to be able to attract and retain the services of qualified and competent directors and officers. A portion of the remuneration of executive directors may structured or be based on corporate and individual performance.

The Corporation shall establish formal and transparent procedures for the development of a policy on executive remuneration or determination of remuneration levels for individual directors and officers.

Key considerations in determining proper compensation include the following: (1) the level of remuneration is commensurate to the responsibilities of the role; (2) no director should participate in deciding on his remuneration; and (3) remuneration pay-out schedules should be sensitive to risk outcomes over a multi-year horizon.

The Corporation's annual reports and information and proxy statements shall include a clear, concise and understandable disclosure of all fixed and variable compensation that may be paid, directly or indirectly to its directors and top four (4) management officers during the preceding fiscal year.

To protect the funds of the Corporation, the Commission may, in exceptional cases, e.g., when a corporation is under receivership or rehabilitation, regulate the payment of the compensation allowances fees and fringe benefits to its directors and officers.

K) Board Committees

The Board shall constitute the proper committees to assist it in good corporate governance.

- (i) The Audit Committee shall consist of a minimum of five (5) directors, who shall preferably have accounting and finance backgrounds, one of whom shall be an independent director and another with audit experience. The Chairman of the Audit Committee should not be the chairman of the Board or any other committees. The Audit Committee shall have the following functions:
 - a) Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations.
 - b) Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the corporations. This function shall include regular receipt from Management of information on risk exposures and risk management activities.
 - c) Perform oversight functions over the corporation's internal and external auditors. It should ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions.
 - d) Review the annual internal audit plan to ensure its conformity with the objectives of the corporation. The plan shall include the audit scope, resources and budget necessary to implement it.
 - e) Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts.
 - f) Organize an internal audit department, and consider the appointment of an independent

internal auditor and the terms and conditions of its engagement and removal.

- g) Monitor and evaluate the adequacy and effectiveness of the corporation's internal control system, including financial reporting control and information technology security.
- h) Review the reports submitted by the internal and external auditors.
- i) Review and approve the Interim and Annual financial statements before their submission to the Board, with particular focus on the following matters:
 - Any change/s in accounting policies and practices
 - Areas where a significant amount of judgment has been exercised
 - Significant adjustments resulting from the audit
 - Going concern assumptions
 - Compliance with accounting standards
 - Compliance with tax, legal and regulatory requirements.
- j) Coordinate, monitor and facilitate compliance with laws, rules and regulations.
- k) Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to the total fees paid to him and to the corporation's overall consultancy expenses. The committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the corporation's Annual Report and Annual Corporate Governance Report.
- l) Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit Committee.

The Audit Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from

interference by outside parties. In addition, an independent quality assessment shall be requested from the Institute of Internal Auditors every five (5) years.

INDEPENDENT DIRECTORS

The Board should ensure that its independent directors possess the necessary qualifications and none of the disqualifications for an independent director to hold the position.

An Independent Director refers to a person who, ideally:

- a. Is not, or has not been a senior officer or employee of the covered company unless there has been a change in the controlling ownership of the company.
- b. Is not, and has not been in the three years immediately preceding the election, a director of the covered company; a director, officer, employee of the covered company's subsidiaries, associates, affiliates or related companies; or a director, officer, employee of the covered company's substantial shareholders and its related companies.
- c. Has not been appointed in the covered company, its subsidiaries, associates, affiliates or related companies as Chairman "Emeritus," "Ex-Officio" Directors/Officers or Members of any Advisory Board, or otherwise appointed in a capacity to assist the Board in the performance of its duties and responsibilities within three years immediately preceding his election.
- d. Is not an owner of more than two percent (2%) of the outstanding shares of the covered company, its subsidiaries, associates, affiliates or related companies.
- e. Is not a relative of a director, officer, or substantial shareholder of the covered company or any of its related companies or of any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister and the spouse of such child, brother or sister.
- f. Is not acting as a nominee or representative of any director of the covered company or any of its related companies.
- g. Is not a securities broker-dealer of listed companies and registered issuers of securities. "Securities broker-dealer" refers to any person holding any office of trust and

among others, a director, officer, principal stockholder, nominee of the firm to the Exchange, an associated person or salesman, and an authorized clerk of the broker or dealer.

- h. Is not retained, either in his personal capacity or through a firm, as a professional adviser, auditor, consultant, agent or counsel of the covered company, any of its related companies or substantial shareholder, or is otherwise independent of Management and free from any business or other relationship within the three years immediately preceding the date of his election.
- i. Does not engage or has not engaged, whether by himself or with other persons or through a firm of which he is a partner, director or substantial shareholder, in any transaction with the covered company or any of its related companies or substantial shareholders, other than such transactions that are conducted at arm's length and could not materially interfere with or influence the exercise of his independent judgment.
- j. Is not affiliated with any non-profit organization that receives significant funding from the covered company or any of its related companies or substantial shareholders.
- k. Is not employed as an executive officer of another company where any of the covered company's executives serve as directors.

The Board's independent directors should serve for a maximum cumulative term of nine years. After which, the independent director should be perpetually barred from re-election as such in the same company, but may continue to qualify for nomination and election as a non-independent director. In the instance that the Corporation wants to retain an independent director who has served for nine years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting.

- Reckoning of the cumulative nine-year term is from 2012, in connection with SEC Memorandum Circular No. 9, Series of 2011.
- Any term beyond nine years for an independent director is subjected to particularly rigorous review, taking into account the need for progressive change in the Board to ensure an appropriate balance of skills and experience. However, the shareholders may, in exceptional cases,

choose to re-elect an independent director who has served for nine years. In such instances, the Board must provide a meritorious justification for the re-election.

(ii) The Board may also organize the following committees:

- a) A Nomination Committee which may be composed of at least three (3) members and one of whom should be an independent director, to review and evaluate the qualifications of all persons nominated to the Board and other appointments that require Board approval, and to assess the effectiveness of the Board's processes and procedures in the election or replacement of directors;

Qualifications

- Holder of at least one (1) share of stock of the Corporation.
- He shall be at least a college graduate or have sufficient experience in managing the business to substitute for such formal education.
- He shall be at least twenty one (21) years old.
- He shall have proven to possess integrity and probity.
- He shall be assiduous.

Disqualifications

- Any person finally convicted judicially of an offense involving moral turpitude or fraudulent act or transgressions.
- Any person finally found by the Commission or a court or other administrative body to have willfully violated, or willfully aided, abetted, counseled, induce or procured the violation of, any provision of the Securities Regulation Code, the Corporation Code, or any other law administered by the Commission or Bangko Sentral ng Pilipinas, or any rule, regulation or order of the Commission or Bangko Sentral ng Pilipinas.
- Any person judicially declared to be involved.
- Any person finally found guilty by a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts violations or

misconduct listed in the foregoing paragraphs.

- Conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code, committed within five (5) years prior to the date of his election or appointment.

Any of the following shall be a ground for the temporary disqualification of a director:

- Refusal to fully disclose the extent of his business interest as required under the Securities Regulation Code and its implementing Rules and Regulations. This disqualification shall be in effect as long as his refusal persists.
- Absence or non-participation for whatever reason/s for more than fifty percent (50%) of all meetings, both regular and special, of the Board of directors during his incumbency, or any twelve (12) month period during said incumbency. This disqualification applies for purposes of the succeeding election.
- Dismissal/termination from directorship in another listed corporation for cause. This disqualification shall be in effect until he has cleared himself of any involvement in the alleged irregularity.
- Being under preventive suspension by the Corporation.
- If the independent director becomes an officer or employee of the same corporation he shall be automatically disqualified from being an independent director.
- Conviction that has not yet become final referred to in the grounds for the disqualification of directors.

In consultation with the executive or management committee/s, re-define the role, duties and responsibilities of the Chief Executive officer by integrating the dynamic requirements of the business as a going concern and future expansionary prospects within the realm of good corporate governance at all times.

The Nomination Committee shall consider the following guidelines in the determination of the number of directorships for the Board:

- The nature of the business of the Corporations which he is a director.
- Age of the director.
- Number of directorships/ active memberships and officerships in other corporations or organizations.
- Possible conflict of interest.

The optimum number shall be related to the capacity of a director to perform his duties diligently in general.

The Chief Executive Officer and other executive directors shall submit themselves to a low indicative limit on membership in other corporate Boards. The same low limit shall apply to independent, non-executive directors who serve as full-time executives in other corporations. In any case, the capacity of directors to serve with diligence shall not be compromised.

- b) A Compensation or Remuneration Committee, which may be composed of at least three (3) members and one of whom should be an independent director, to establish a formal and transparent procedure for developing a policy on remuneration of directors and officers to ensure that their compensation is consistent with the corporation's culture, strategy and the business environment in which it operates.

Duties and Responsibilities

- Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Corporation's culture, strategy and control environment.
- Designated amount of remuneration, which shall be in a sufficient level to attract and

retain directors and officers who are needed to run the company successfully.

- Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of individual directors, if any, and officers.
 - Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers which among others compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired.
 - Disallow any director to decide his or her own remuneration.
 - Provide in the Corporation's annual reports, information and proxy statements a clear, concise and understandable disclosure of compensation of its executive officers for the previous fiscal year and the ensuing year.
 - Review (if any) of the existing Human Resources Development or Personnel Handbook, to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically met in their respective posts.
 - Or in the absence of such Personnel Handbook, cause the development of such, covering the same parameters of governance stated above.
- c) The Corporation's framework on enterprise risk assessment and management is still in the planning stage. For the meantime, the Executive Committee

performs the functions of the Risk and Governance Committees.

L) The Corporate Secretary

The Corporate Secretary, who should be a Filipino citizen and a resident of the Philippines, assists the Board in its duties. He must be a separate individual from the Compliance Officer and is not a member of the Board. He is obliged to attend a training on corporate governance annually.

The Corporate Secretary is primarily responsible to the corporation and its shareholders, and has, among others, the following duties and responsibilities:

- a. Assists the Board and the board committees in the conduct of their meetings, including preparing an annual schedule of Board and committee meetings and the annual board calendar, and assisting the chairs of the Board and its committees to set agendas for those meetings.
- b. Safe keeps and preserves the integrity of the minutes of the meetings of the Board and its committees, as well as other official records of the corporation.
- c. Keeps abreast on relevant laws, regulations, all governance issuances, relevant industry developments and operations of the corporation, and advises the Board and the Chairman on all relevant issues as they arise.
- d. Works fairly and objectively with the Board, Management and stockholders and contributes to the flow of information between the Board and management, the Board and its committees, and the Board and its stakeholders, including shareholders.
- e. Advises on the establishment of board committees and their terms of reference.
- f. Informs members of the Board, in accordance with the by-laws, of the agenda of their meetings at least five working days in advance, and ensures that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval.

- g. Attends all Board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent him/her from doing so.
- h. Performs required administrative functions.
- i. Oversees the drafting of the by-laws and ensures that they conform with regulatory requirements.
- j. Performs such other duties and responsibilities as may be provided by the SEC.

M) The Compliance Officer

The Compliance Officer assists the Board in its duties. He must be a separate individual from the Corporate Secretary and is not a member of the Board. He must have a rank of Senior Vice-President or an equivalent position with adequate stature and authority in the Corporation. He is obliged to attend a training on corporate governance annually.

The Compliance Officer is a member of the company's management team in charge of the compliance function. Similar to the Corporate Secretary, he is primarily liable to the corporation and its shareholders and shall report directly to the Chairman of the Board. He has, among others, the following duties and responsibilities:

- a. Monitors, reviews, evaluates and ensures the compliance by the corporation, its officers and directors with the relevant laws, this Code, rules and regulations and all governance issuances of regulatory agencies.
- b. Reports the matter to the Board if violations are found and recommends the imposition of appropriate disciplinary action.
- c. Ensures the integrity and accuracy of all documentary submissions to regulators.
- d. Appears before the SEC when summoned in relation to compliance with this Code.
- e. Collaborates with other departments to properly address compliance issues, which may be subject to investigation.
- f. Identifies possible areas of compliance issues and works towards the resolution of the same.

- g. Ensures the attendance of board members and key officers to relevant trainings.
- h. Performs such other duties and responsibilities as may be provided by the SEC.

IV. ADEQUATE AND TIMELY INFORMATION

To enable the members of the Board to properly fulfill their duties and responsibilities, Management should provide them with complete adequate and timely information about the matters to be taken in their meetings.

Reliance on information volunteered by Management would not be sufficient in all circumstances and further inquiries may have to be made by a member of the Board to enable him to properly perform his duties and responsibilities. Hence, the members should be given independent access to Management and the Corporate Secretary.

The information may include the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

The members, either individually or as a Board, and in furtherance of their duties and responsibilities, should have access to independent professional advice at the corporation's expense.

V. ACCOUNTABILITY AND AUDIT

- A) The Board is primarily accountable to the stockholders. It should provide them with a balanced and comprehensible assessment of the corporation's performance, position and prospects on a quarterly basis, including interim and other reports that could adversely affect its business, as well as reports to regulators that are required by law.

Thus, it is essential that Management provide all members of the Board with accurate and timely information that would enable the Board to comply with its responsibilities to the stockholders.

Management should formulate, under the supervision of the Audit Committee, the rules and procedures on financial reporting and internal control in accordance with the following guidelines:

- (i) The extent of its responsibility in the preparation of the financial statements of the corporation, with the corresponding delineation of the responsibilities that pertain to the external auditor, should be clearly explained;
 - (ii) An effective system of internal control that will ensure the integrity of the financial reports and protection of the assets of the corporation for the benefit of all stockholders and other stakeholders;
 - (iii) On the basis of the approved audit plans, internal audit examinations should cover, at the minimum, the evaluation of the adequacy and effectiveness of controls that cover the corporation's governance, operations and information systems, including the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, protection of assets, and compliance with contracts, laws, rules and regulations;
 - (iv) The corporation should consistently comply with the financial reporting requirements of the Commission;
 - (v) The external auditor should be rotated or changed every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the corporation, should be changed with the same frequency. The Internal Auditor should submit to the Audit Committee and Management an annual report on the internal audit department's activities, responsibilities and performance relative to the audit plans and strategies as approved by the Audit Committee. The annual report should include significant risk exposures, control issues and such other matters as may be needed or requested by the Board and Management. The Internal Auditor should certify that he conducts his activities in accordance with the International Standards on the Professional Practice of Internal Auditing. If he does not, he shall disclose to the Boards and Management the reasons why he has not fully complied with the said standards.
- B) The Board, after consultations with the Audit Committee, shall recommend to the stockholders an external auditor duly

accredited by the Commission who shall undertake an independent audit of the corporation and shall provide an objective assurance on the manner by which the financial statements shall be prepared and presented to the stockholders. The external auditor shall not, at the same time, provide internal audit services to the corporation. Non-audit work may be given to the external auditor, provided it does not conflict with his duties as an independent auditor, or does not pose a threat to his independence.

If the external auditor resigns, is dismissed or ceases to perform his services, the reason/s for and the date of effectivity of such action shall be reported in the corporation's annual and current reports. The report shall include a discussion of any disagreement between him and the corporation on accounting principles or practices, financial disclosures or audit procedures which the former auditor and the corporation failed to resolve satisfactorily. A preliminary copy of the said report shall be given by the corporation to the external auditor before its submission.

If the external auditor believes that any statement made in an annual report, information statement or any report filed with the Commission or any regulatory body during the period of his engagement is incorrect or incomplete, he shall give his comments or views on the matter in the said reports.

VI. COMMUNICATIONS PROCESS

This manual shall be available for inspection by any stockholder of the Corporation at reasonable hours on business days.

All directors, executives, division and department heads are tasked to ensure the thorough dissemination of this Manual to all employees and related third parties, and to likewise enjoin compliance in the process.

An adequate number of printed copies of this Manual must be reproduced under the supervision of HRD with a minimum of at least one (1) hard copy of the Manual per department.

The Corporation should include 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. The Corporation's corporate governance policies, programs and procedures should be contained in its Manual, which should be submitted to the regulators and posted on the company's website.

VII. TRAINING PROCESS

If necessary, funds shall be allocated by the CFO or its equivalent officer for the purpose of conducting an orientation program or workshop to operationalize this Manual.

A director shall be required to attend a seminar on corporate governance which shall be conducted by a duly recognized private or government institute.

VIII. REPORTS AND DISCLOSURES

The Board should establish 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.

The company should make a full, fair, accurate and timely disclosure to the public of every material fact or event that occurs, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders. Moreover, the Board of the offeree company should appoint an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.

The Company should have a policy requiring all directors and officers to disclose/report to the company any dealings in the company's shares within three business days.

The Board should fully disclose all relevant and material information on individual board members and key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.

The company's corporate governance policies, programs and procedures should be contained in its Manual on Corporate Governance, which should be submitted to the regulators and posted on the company's website.

IX. STOCKHOLDERS' RIGHTS AND PROTECTION OF MINORITY INTERESTS

A) The Board shall respect the rights of the stockholders as provided for in the Corporation Code, namely:

- (i) Right to vote on all matters that require their consent or approval;
- (ii) Pre-emptive right to all stock issuances of the corporation;

All stockholders shall have pre-emptive rights, unless the same is denied in the articles of incorporation or an amendment thereto. They shall have the right to subscribe to the capital stock of the Corporation. The Articles of Incorporation shall lay down the specific rights and powers of shareholders with respect to the particular shares they hold, all of which shall be protected by law so long as they shall not be in conflict with the Corporation Code.

- (iii) Right to inspect corporate books and records;

All shareholders shall be allowed to inspect corporate books and records including minutes of Board meetings and stock registries in accordance with the Corporation Code and shall be furnished with annual reports, including financial statements, without cost or restrictions.

- (iv) Right to information;

The Shareholders shall be provided, upon request, with periodic reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the company's shares, dealings with the company, relationships among directors and key officers, and the aggregate compensation of directors and officers.

The minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.

The minority shareholders shall have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management shall include such information and, if not included, then the minority shareholders shall be allowed to propose to include such matters on the agenda of the stockholders' meeting, being within the definition of "legitimate purposes"

(v) Right to dividends; and

Shareholders shall have the right to receive dividends subject to the discretion of the Board.

The company shall be compelled to declare dividends when its retained earnings shall be in excess of 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 corporation 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 been secured; or c) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the Corporation, such as when there is a need for special reserve for probable contingencies.

(vi) Appraisal right.

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

- In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and

assets as provided in the Corporation Code;
and

- In case of merger or consolidation.

B) NOMINATION PROCEDURES:

- a. The Nomination Committee shall promulgate the guidelines or criteria to govern the conduct of the nomination. The same shall be properly disclosed in the Corporation's Information Statement or such other reports required to be submitted to the SEC.
- b. All nominations for regular and independent directors shall be signed by the nominating stockholders, who must be of good standing, together with the acceptance and conformity by the would-be nominees. The nominations should specify whether the nomination is for regular or independent director.
- c. All nominations must be submitted to the Nomination Committee at least five (5) days before the stockholders' meeting to enable the Nomination Committee to effectively pass upon the qualifications of all nominees for regular and independent directors.
- d. After screening the qualifications of all nominees, the Nomination Committee shall prepare a Final List of Candidates of both regular and independent directors five (5) days before the stockholders' meeting. Both Lists shall contain all the information about all the nominees for regular director and independent director, as required by under the SRC and its Implementing Rules and Regulations, which shall be made available to the SEC and to the stockholders through the filing and distribution of the Information Statement.
- e. Only nominees whose names appear on the Final List of Candidates for regular and independent directors shall be eligible for election as Regular and Independent Directors. No other nominations for both regular and independent director shall be entertained after the Final List of Candidates shall have been prepared by the Nomination Committee. No further nominations for regular and independent director shall be entertained or allowed on the floor during the actual annual/special stockholders' meeting.

- f. Except as those required under the SRC and subject to pertinent existing laws, rules and regulations of the SEC, the conduct of the election of regular and independent directors shall be made in accordance with these rules of procedure.
- g. The Corporation shall elect at least two (2) independent directors. It shall be the responsibility of the Chairman of the Meeting to inform all stockholders in attendance of the mandatory requirement of electing at least two (2) independent directors. He shall ensure that at least two (2) independent directors are elected during the stockholders' meeting.

C) VOTING REQUIREMENTS

- a. For Election of Directors
 - i. The aforementioned action will require that the majority of the shares of the Corporation's common stock are present and represented and entitled to vote at the annual meeting.
 - ii. Voting is executed through balloting or by other means approved by the stockholders.
 - iii. Pursuant to Section 24 of the Corporation Code, candidates receiving the highest number of votes shall be declared elected.
- b. Ratification of all Acts of Management and the Board of Directors for the subject period.
 - i. The affirmative vote of the majority votes cast by the stockholders is sufficient for ratification.
 - ii. Election is executed through balloting or by other means approved by the stockholders.
- c. Appointment of the External Auditor
 - i. The affirmative vote of the majority votes cast by the stockholders is sufficient for ratification.
 - ii. Election is executed through balloting or by other means approved by the stockholders.

D) VOTING PROCEDURES

- a. The Corporation's by-laws provide that at all corporate meetings, each stockholder, either in person or by proxy, shall be entitled to as many votes as he owns shares of stock, such proxy shall be in writing or filed with Secretary of the Corporation .
- b. The voting on the matter for approval by the stockholders will be done through ballots which shall be collected and counted by the Corporate Secretary.

E) PROCEDURE FOR ELECTION OF REGULAR AND INDEPENDENT DIRECTORS

- a. There shall be two (2) rounds of voting. The first round shall be the election of the nine (9) regular directors, and the second round shall be the election of the two (2) independent directors. This is to ensure that the independent directors are duly elected by the stockholders as required by the SRC.
- b. Voting is by viva voce or by acclamation. However, the election must be by ballot if requested by any stockholder.
- c. Every stockholder has the right to cumulative voting.
- d. The votes shall be tallied by the Corporation's external auditor under the supervision of the Corporate Secretary.

F) The Board should ensure that basic shareholder rights are disclosed in the Manual on Corporate Governance and on the company's website. It shall pave the way for the electronic filing and distribution of shareholder information necessary to make informed decisions subject to legal constraints.

G) The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the corporation. The stockholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the by-laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor.

H) It is the duty of the Board to promote the rights of the stockholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for breach of their rights.

- I) The Board should take the appropriate steps to remove excessive or unnecessary costs and other administrative impediments to the stockholders' meaningful participation in meetings, whether in person or by proxy. Accurate and timely information should be made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval.
- J) Although all stockholders should be treated equally or without discrimination, the Board should give minority stockholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the corporation.

X. SELF-RATING SYSTEM

The Board shall create an internal self-rating system that can measure the performance of the Board and Management in accordance with the criteria provided for in this Code.

The creation and implementation of such self-rating system, including its salient features, shall be conducted annually and be disclosed in the corporation's annual report.

XI. MONITORING AND ASSESSMENT

Each Committee shall report regularly to the Board of Directors.

The Compliance Officer shall establish an evaluation system to determine and measure compliance with this Manual. Any violation thereof shall subject the responsible officer or employee to the penalty provided under Part XIII of this Manual.

The establishment of such evaluation system, including the features thereof, shall be disclosed in the company's annual report (SEC Form 17-A) or in such form of report that is applicable to the Corporation. The adoption of such performance evaluation system must be covered by a Board approval.

This Manual shall be subject to quarterly review unless the same frequency is amended by the Board.

All business processes and practices being performed within any department or business unit of Model Corporation that are not consistent with any portion of this manual shall be revoked unless upgraded to the compliant extent.

XII. DISCLOSURE AND TRANSPARENCY

The essence of corporate governance is transparency. The more transparent the internal workings of the corporation are, the more difficult it will be for Management and dominant stockholders to mismanage the corporation or misappropriate its assets.

It is therefore essential that all material information about the corporation which could adversely affect its viability or the interests of the stockholders should be publicly and timely disclosed. Such information should include, among others, earnings results, acquisition or disposition of assets, off balance sheet transactions, related party transactions, and direct and indirect remuneration of members of the Board and Management. All such information should be disclosed through the appropriate Exchange mechanisms and submissions to the Commission.

XIII. PENALTIES FOR NON-COMPLIANCE

To strictly observe and implement the provisions of this manual, the following penalties shall be imposed, after notice and hearing, on the company's directors, officers, staff, subsidiaries and affiliates and their respective directors, officers and staff in case of violation of any of the provision of this Manual:

- In case of **first violation**, the subject person shall be reprimanded.
- Suspension from office shall be imposed in case of **second violation**. The duration of the suspension shall depend on the gravity of the violation.
- For **third violation**, the maximum penalty of removal from office shall be imposed.

The commission of a third violation of this manual by any member of the board of the company or its subsidiaries and affiliates shall be a sufficient cause for removal from directorship.

The Compliance Officer shall be responsible for determining violation/s through notice and hearing and shall recommend to the Chairman of the Board the imposable penalty for such violation, for further review and approval of the Board.

Signed:



ALFONSO R. REYNO, JR.
*Chairman of the Board and
Chief Executive Officer*



LEMUEL M. SANTOS
Compliance Officer

MJC Drive, Sta. Cruz, Manila
Tel No. 632-7373 / Fax No. 631-2846

BOARD OF DIRECTORS CHARTER

In compliance with the Securities and Exchange Commission Memorandum Circular No. 19 series of 2016, otherwise known as the Code of Corporate Governance for Publicly-Listed Companies,¹ the Board of Directors of MJC Investments Corp. adopts the following Board of Directors Charter subject to the provisions of the Company's Articles of Incorporate and By-Laws and all applicable laws of the Philippines

I. PURPOSE

The Board of Directors is the governing body elected by the stockholders that exercises the corporate powers of a corporation, conducts all its business and controls its properties. It is the objective of the Company to clearly define the respective roles, responsibilities and authorities of the Board of Directors in order to set the direction, management and the control of the organization. This charter shall guide the corporation's leadership in delivering good corporate governance and establish effective operating procedures for the Board.

II. COMPOSITION

Pursuant to the Code, the Board shall be composed of directors with a collective working knowledge, experience or expertise that is relevant to the company's industry and ensure that its members remain qualified for the positions individually and collectively to enable to fulfill its roles and responsibilities and respond to the needs of the organization based on the evolving business environment and strategic direction.

The administration and management of the Corporation shall be the responsibility of a Board of Directors composed of eleven (11) members. Immediately after its election, the Board of Directors shall meet and shall elect a Chairman and a President from among their members and to appoint a Secretary and a Treasurer.

The Company shall have two (2) independent directors or at least twenty percent (20%) of its board size, whichever is lesser.

¹Hereinafter referred to as the "Code."



The Board may appoint such other officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined by the Board.

III. POWERS AND DUTIES

Board of Directors

The corporate powers of the company shall be exercised, its business conducted and its property controlled by the Board of Directors. Aside from those provided by the Corporation Code and the corporate By-Laws, the Board of Directors shall also have the following powers:

1. To cause to be kept a complete record of all their minutes and acts of the proceedings of stockholders; to present or cause to be presented at the annual stockholders' meeting a statement of accounts showing in detail the assets and liabilities of the corporation and generally the condition of the company's affairs. A similar statement shall be presented at any other meeting of the stockholders, when therein required by persons holding at least one-third (1/3) of the subscribed capital stocks of the corporation.
2. To declare dividends out of the surplus profits when such profits shall, in the opinion of the directors, warrant the same,
3. To supervise all officers, agents and employees and see that their duties are properly performed.
4. To appoint and remove at pleasure all officers, agents and employees of the corporation, prescribe their duties unless provided for in these by-laws, fix their compensation and require from them security for faithful service.
5. To conduct, manage and control the affairs and business of the corporation and to make rules and regulation not inconsistent with the laws of the Philippines or by-laws of the corporation for the guidance and management of the corporation.

Chairman

The Board shall be headed by a qualified and competent Chairman who shall be responsible for the following:



1. Makes certain that the meeting agenda focuses on strategic matters, including the overall risk appetite of the corporation, considering the developments in the
2. business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations;
3. Guarantees that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions;
4. Facilitates discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors;
5. Ensures that the Board sufficiently challenges and inquires on reports submitted and representations made by Management;
6. Assures the availability of proper orientation for first-time directors and continuing training opportunities for all directors; and
7. Makes sure that performance of the Board is evaluated at least once a year and discussed/followed up on.

IV. NOMINATION AND ELECTION

A. Nomination of Regular and Independent Directors

The rules governing the nomination and election of Independent Directors as provided under the Securities Regulation Code and our By-laws shall be adopted and shall be made applicable also to the nomination and election of the regular members of the Board of Directors.

- The Nomination Committee of the Board shall pre-screen the nominees to determine if they have all the qualifications and none of the disqualifications of a member of the Board as prescribed by the Corporation Code and the Securities Regulation Code.
- Only stockholders of good standing can nominate directors. ALL nominations, whether for the position of regular or independent director, should be submitted to the Nomination Committee at least five (5) days prior to the Annual Stockholders' Meeting for the Committee to have ample time to pre-screen and evaluate the nominees. The Nomination Committee shall submit a report certifying the Final List of Nominees for the position of Regular and Independent Directors. No further nomination shall be entertained or allowed on the floor during the actual annual stockholders' meeting.



B. Election of Board of Directors

- There shall be two (2) rounds of voting. The first round shall be the election of the nine (9) regular directors, and the second round shall be the election of the two (2) independent directors.
- Voting is by *viva voce* or by acclamation. However, the election must be by ballot if requested by any stockholder.
- Every stockholder has the right to cumulative voting.
- The votes shall be tallied by the Corporation's external auditor under the supervision of the Corporate Secretary.

V. VACANCIES

In the event of vacancy or vacancies in the Board of Directors occurring during the interval between two (2) annual meeting on account of death, resignation, or any other cause, the remaining Directors may elect from among the stockholders those who shall fill the vacancies and said stockholders shall act as members of the Board until the election of a new Board of Directors shall be held again.

VI. FINAL PROVISIONS

This policy shall be subject to regular review by the Board and shall be revised or amended as the Board deems it appropriate.

ANNEX "A-4"**TRAINING AND ORIENTATION PROGRAMS FOR DIRECTORS**

Programs and seminars and roundtables attended during the year:

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Alfonso R. Reyno, Jr.	Dec. 10, 2018	Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Chai Seo meng	Dec. 10, 2018	Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Jose Alvaro D. Rubio	Dec. 6, 2018	Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Alfonso Victorio G. Reyno III	Dec. 10, 2018	Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Gabriel A. Dee	Dec. 10, 2018	Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Jeffrey Rodrigo L. Evora	Dec. 10, 2018	Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.

John Anthony B. Espiritu	Dec. 10, 2018	Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Dennis Ryan C. Uy	Dec. 10, 2018	Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Walter L. Mactal	Dec. 6, 2018	Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Victor P. Lazatin	Dec. 10, 2018	Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Laurito E. Serrano	August 8, 2018	Corporate Governance	Institute of Corporate Directors

ANNEX "A-5"**ROLES, ACCOUNTABILITIES, AND DELIVERABLES OF THE EXECUTIVE, NON-EXECUTIVE
AND INDEPENDENT DIRECTORS**

	Chairman	Chief Executive Officer
Role/Accountabilities/ Deliverables	<ul style="list-style-type: none"> i. To preside the meetings of the Board and shareholders; ii. To establish operating policies, guide the Board in formulating company objectives and assist the Corporation in developing the means for attaining these objectives; iii. To supervise and manage the business affairs of the Corporation upon the direction of the Board of Directors; iv. To exercise such powers and perform such duties as the Board of Directors may assign to him. 	<ul style="list-style-type: none"> i. Oversee the day to day operations of the Corporation; ii. To implement the guidelines and policies laid down by the Board of Directors or by any committee to which the power to lay down guidelines and policies may be delegated by the Board of Directors in connection with the day-to-day operations of the Corporation; iii. Exercise such other powers and perform such other duties as the Chairman/CEO or the Board of Directors may from time to time fix or delegate.

	Executive Director	Non-Executive Director	Independent Director
Role Accountabilities Deliverables	<p>All directors should act in the best interest of the Corporation in a manner characterized by transparency, accountability and fairness. They should exercise leadership, prudence and integrity in directing the Corporation towards sustained progress.</p> <p>All directors should (i) conduct fair business transactions with the Corporation and ensure that his personal interest does not conflict with the interests of the Corporation; (ii) devote time and attention necessary to properly and effectively perform his duties and responsibilities; (iii) act judiciously; (iv) exercise independent judgment; (v) have a working knowledge of the statutory and regulatory requirements that affect the Corporation, including its articles of incorporation and by-laws, the rules and regulations of the Commission and where applicable, the requirements of relevant regulatory agencies; and (vi) observe confidentiality.</p>		<p>To provide independent judgment and outside experience and objectivity, not to subordinate to operational considerations on all issues which come before the board.</p> <p>Independent directors should acquire and maintain a sufficient detailed knowledge of the Corporation's business activities and current performance to enable to make decisions on the issued before the Board.</p> <p>Independent directors should be counted upon to ensure that advice and counsel are given to management.</p>

Principle of Independence

The Corporation abides by the policy behind the appointment of an independent director that a non-executive director must not have a relationship with the Corporation that would "materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director in any covered company." Moreover, any relationship that the independent director may have with the covered company must not compromise said director's objectivity and loyalty to the shareholders. This policy is adopted in the nomination and election of the Corporation's independent directors.

Term Limit

Pursuant to SEC Memorandum Circular No. 09-11, the Corporation has put a term limit of five (5) consecutive years for independent directors. After completion of the five-year service period, an independent director shall be ineligible for election as such in the Corporation unless the independent director has undergone a "cooling off" period of two (2) years, provided that during such period, the independent director concerned has not engaged in any activity that under existing rules disqualifies a person from being elected as an independent director in the same company. An independent director re-elected as such after the "cooling off" period can serve for another five (5) consecutive years under the above-stated condition.

ANNEX "B"**CHANGES IN THE BOARD OF DIRECTORS (EXECUTIVE, NON-EXECUTIVE AND INDEPENDENT DIRECTORS)****(a) Resignation/Death/Removal**

There are no changes in the composition of the Board of Directors that happened during the period:

Name	Position	Date of Cessation	Reason
Laurito E. Serrano	Independent Director	March 21, 2019	Professional Growth

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

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

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
(i) Executive Directors	Procedure for Nomination of Regular and Independent Directors (1) The Nomination Committee shall promulgate the guidelines or criteria to govern the conduct of the nomination. The same shall be properly disclosed in the company's information or statement or such other reports required to be submitted to the Securities and Exchange Commission. (2) All nominations for regular and independent directors shall be signed by the nominating stockholders, who must be of good standing, together with the acceptance and conformity by the would-be nominees. The nominations should	
(ii) Non-Executive Directors		
(iii) Independent Directors		

	<p>specify whether the nomination is for regular or independent director.</p> <p>(3) All nominations must be submitted to the Nomination Committee at least five (5) days before the stockholders' meeting to enable the Nomination Committee to effectively pass upon the qualifications of all nominees for regular and independent directors.</p> <p>(4) After screening the qualifications of all nominees, the Nomination Committee shall prepare a Final List of Candidates of both regular and independent directors five (5) days before the stockholders' meeting. Both Lists shall contain all the information about all the nominees for regular director and independent director, as required by under the Securities Regulation Code ("SRC") and its Implementing Rules and Regulations, which list shall be made available to the SEC and to the stockholders through the filing and distribution of the Information Statement.</p> <p>(5) Only nominees whose names appear on the Final List of Candidates for regular and independent directors shall be eligible for election as Regular and Independent Directors. No other nominations for both regular and independent director shall be entertained after the Final List of Candidates shall have been prepared by the Nomination Committee. No further nominations for regular and independent director shall be entertained or allowed on the floor during the actual annual/special stockholders'</p>
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	<p>meeting.</p> <p>(6) Except as those required under the SRC and subject to pertinent existing laws, rules and regulations of the SEC, the conduct of the election of regular and independent directors shall be made in accordance with these rules of procedure.</p> <p>(7) The Company shall elect at least two (2) independent directors. It shall be the responsibility of the Chairman of the Meeting to inform all stockholders in attendance of the mandatory requirement of electing at least two (2) independent directors. He shall ensure that at least two (2) independent directors are elected during the stockholders' meeting.</p>
b. Re-election	
(i) Executive Directors	Same as above.
(ii) Non-Executive Directors	
(iii) Independent Directors	
c. Permanent Disqualification	
(i) Executive Directors	<p>The following shall be the grounds for the permanent disqualification for a director:</p> <p>(i) Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment advice, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (c) arises out of his</p>
(ii) Non-Executive Directors	
(iii) Independent Directors	

	<p>fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;</p> <p>(ii) Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Commission or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.</p> <p>This disqualification shall also apply if such person is currently the subject of an order of the Commission or any court or administrative body denying, revoking or suspending any registration license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the Commission or Bangko Sentral ng Pilipinas (BSP), or under any rule or regulation issued by the Commission or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with member or participant of the organization;</p>
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	<p>(iii) Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;</p> <p>(iv) Any person who has been adjudged by final judgment or order of the Commission, court or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporation Code, Securities Regulation Code or any other law administered by the Commission or BSP, or any of its rule regulation or order;</p> <p>(v) Any person earlier elected as independent director who becomes an officer, employee or consultant of the same corporation;</p> <p>(vi) Any person judicially declared as insolvent;</p> <p>(vii) Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated in subparagraphs (i) to (v) above;</p> <p>(viii) Conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment.</p>
(i) Executive Directors	The board may provide for the temporary disqualification of a director for any of the
(ii) Non-Executive	

Directors	following reasons:
(iii) Independent Directors	<p>(i) Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. The disqualification shall be in effect as long as the refusal persists.</p> <p>(ii) Absence in more than fifty (50) percent of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the succeeding election;</p> <p>(iii) Dismissal or termination for cause as director of any corporation covered by this Code. The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination;</p> <p>(iv) If the beneficial equity ownership of an independent director in the corporation or its subsidiaries and affiliates exceeds two percent of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with;</p> <p>(v) If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.</p>
e. Removal	
(i) Executive Directors	Death, resignation, disqualification, or any other cause
(ii) Non-Executive Directors	
(iii) Independent	

Directors	
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(c) Voting Result of the last Annual General Meeting

Name of Director	Votes Received
All the nominated directors were elected through <i>viva voce</i> .	

ANNEX "B-1"**REMUNERATION MATTERS****1) Remuneration Process for Top Management Officers**

Stated below is the remuneration process used for determining the remuneration of the CEO and the top highly compensated management officers:

Process	CEO/Top Highest Paid Management Officers
(1) Fixed remuneration	17,934,932.00
(2) Variable remuneration	
(3) Per diem allowance	None
(4) Bonus	None
(5) Stock Options and other financial instruments	None
(6) Others (specify)	None

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

Stated below is the company's policy on remuneration and the structure of its compensation package and process by which the compensation of Executive and Non-Executive Directors is calculated.

	Remuneration Policy	Structure of Compensation Package	How Compensation is Calculated
Executive Directors	Fixed	Fixed	Monthly
Non-Executive Directors	Per Diem	Fixed	Per Diem

3) Aggregate Remuneration

Stated below is the Table containing the aggregate remuneration accrued during the most recent year:

Remuneration Item	Executive Directors	Non-Executive Directors (<i>other than independent directors</i>)	Independent Directors
(a) Fixed Remuneration	None	None	None
(b) Variable Remuneration	Not Applicable	Not Applicable	Not Applicable
(c) Per diem Allowance	228,000.00	351,000.00	101,000.00
(d) Bonuses	None	None	None
(e) Stock Options and/or other financial instruments	None	None	None
(f) Others (Specify)	None	None	None
Total	228,000.00	351,000.00	101,000.00

Other Benefits	Executive Directors	Non-Executive Director (<i>other than independent directors</i>)	Independent Directors
1) Advances	None	None	None
2) Credit granted	None	None	None
3) Pension Plan/s Contributions	None	None	None
(d) Pension Plans, Obligations incurred	None	None	None
(e) Life Insurance Premium	None	None	None
(f) Hospitalization Plan	360,650.76	None	None
(g) Car Plan	None	None	none
(h) Others (Specify)	None	None	None
Total	360,650.76	None	

4) Stock Rights, Options and Warrants

- (a) None of the members of the company's Board of Directors owns or is entitled to stock rights, options or warrants, direct or indirect, over the company's shares.
- (b) No amendments and discontinuation of any incentive programs had been introduced, including the criteria used in the creation of the program.

5) Remuneration of Management

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

Name of Officer	Position	Total Remuneration
DARWIN L. CUSI	Director for Gaming Compliance	14,432,954.00
RYAN KHIMPY G. RABE	Director for Hotel Operations	
JOEMAR L. ONNAGAN	Director for Finance and Administration	
ALLAN S. ABESAMIS	Director for Facilities Management	
TAYFUN BAYAR	Director for Gaming Marketing and Operations	

ANNEX "B-2"**RELATED PARTY TRANSACTIONS****(a) Policies and Procedures**

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

Related Party Transactions	Policies and Procedures
(1) Parent Company	<ul style="list-style-type: none"> • The vote of the director involved in the Related Party Transaction and his presence in the board meeting is not necessary for the approval of the contract as provided under Sec. 32 of the Corporation Code. • Directors, who acquire any personal or pecuniary interest in conflict with their duty as such directors, shall be liable jointly and severally for any resulting damage suffered by the corporation, its stockholders or members as well as other persons (Sec. 31, Corporation Code) • There is also the presence of independent directors. • Establishes a robust internal audit system to prevent, among others, abusive related-party transactions. • Makes the necessary disclosures to alert stakeholders of the possibility that their financial position is affected by RPTs.
(2) Joint Ventures	
(3) Subsidiaries	
(4) Entities Under Common Control	
(5) Substantial Stockholders	
(6) Officers including spouse/children/siblings/parents	
(7) Directors including spouse/children/siblings/parents	
(8) Interlocking director relationship of Board of Directors	

The Company abides by the relevant provisions of the Corporation Code and has adopted company policies regarding related parties' transactions requiring the full disclosure thereof in the Company's financial statements and in other Company reports. The Company fully discloses all related party transactions regardless of amounts in compliance with existing laws and standards, or ensures that they have the character of arm's length transactions to promote transparency.

Moreover, no actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.

The following, however, are the family relation that exists between the holders of significant equity (5% or more):

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
Alfonso R. Reyno, Jr.	Family	Alfonso R. Reyno, Jr. is the father of directors Alfonso G. Reyno III and Christopher G. Reyno.
Alfonso V. G. Reyno III	Family	
Christopher G. Reyno	Family	

(b) Disclosure of Related Party Transactions

Note that all related party transactions with subsidiaries, SPE and associate were properly approved by authorized officers. These were recorded and fully disclosed in the financial statements. The external auditor, SGV & Co., extensively reviews the related party transactions in the regular financial audit.

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by or under common control with the Group, including holding companies, subsidiaries and fellow subsidiaries, are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Group and close members of the family of these individuals, and companies associated with these individuals also constitute related parties. In considering each possible related entity relationship, attention is directed to the substance of the relationship and not merely the legal form.

In the normal course of business, the Group has transactions and account balances with related parties as follows:

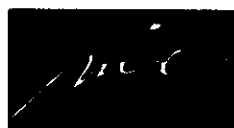
Entity	Relationship	Nature	2018		2017		Terms	Condition
			Amount	Receivable (Payable)	Amount	Receivable (Payable)		
Manila Jockey Club, Inc. (MJCI)		Deposit for future stock subscription	84,979,217	-237,233,646	P152,254,429	P152,254,429	Noninterest- bearing;	Unsecured, unguaranteed
	Stockholder	Advances ^(a) (Note 18)	-	-4,970,819		-4,970,819	Noninterest- bearing; due and demandable	Unsecured, unguaranteed
		Commission from the off-track betting ^(b) (Note 8)	167,932	371,013	293,962	304,099	Noninterest- bearing; due and demandable	Unsecured, unimpaired
<hr/>								
Various Shareholders	Stockholder	Deposit for future stock subscription	971,089,239	-1,904,967,451	933,878,212	-933,878,212	Noninterest- bearing;	Unsecured, unguaranteed
<hr/>								
Manilacockers Club, Inc. (MCI)	Affiliate	Commission from the off-track betting ^(c) (Note 8)	4,367,699	1,572,263	890,700	90,201	Noninterest- bearing; due and demandable	Unsecured, unimpaired

a.) The parent Company obtains advances for expenses such as office rental, utilities and other allowances if the Parent Company's employees.

b.) Share of the Parent Company on horse racing gross bets from off-track betting station of MJCI located at Winford Hotel and Casino.

c.) Share of the Parent Company on cock fighting gross bets from off-track betting station of MJCI located at Winford Hotel and Casino.

d.) MCI is an affiliate through a common stockholder, MJCI.



RELATED PARTY TRANSACTIONS POLICY

In compliance with the Securities and Exchange Commission Memorandum Circular No. 19 series of 2016, otherwise known as the Code of Corporate Governance for Publicly-Listed Companies,¹ the Board of Directors of MJC Investments Corp. adopts the following Related Party Transactions Policy subject to the provisions of the of the Corporate Governance Code, Securities Regulations Code, Philippine Stock Exchange Disclosure Rules, Corporation Code of the Philippines and all applicable laws of the Philippines

I. PURPOSE

This policy aims to ensure the integrity and transparency of all company's transaction with related parties. It also ensures that said transactions will be thoroughly reviewed, deliberated, approved and ratified in consideration of the interests of all stakeholders of the company.

II. CONCEPT OF RELATED PARTY TRANSACTION

As indicated in the Securities Exchange Commission Circular No. 19 Series of 2016 or the Code of Corporate Governance for Publicly Listed Companies

- a. **Related Parties** - cover the company's subsidiaries, as well as affiliates and any party (including their subsidiaries, affiliates and special purpose entities), that the company exerts direct or indirect control over or that exerts direct or indirect control over the company; the company's directors; officers; shareholders and related interests (DOSRI), and their close family members, as well as corresponding persons in affiliated companies. This shall also include such other person or juridical entity whose interest may pose a potential conflict with the interest of the company
- b. **Related Party Transaction** - a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. It should be interpreted broadly to include not only transactions that are entered into with related parties, but also outstanding transactions that are entered into with an unrelated party that subsequently becomes a related party.

¹Hereinafter referred to as the "Code."

III. ROLES AND RESPONSIBILITIES

General

Directors, Board and employees have the responsibility to maintain transparency and integrity and shall therefore not engage in any related party transaction without going into the due process as prescribed the Philippine Law and policies of the company.

The Board should have the 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, particularly those which pass certain thresholds of materiality. The policy should include the appropriate review and approval of material or significant RPTs, which guarantee fairness and transparency of the transactions. The policy should encompass all entities within the group, taking into account their size, structure, risk profile and complexity of operations.

The management has the responsibility to ensure that all transactions are entered into in due process, at market prices, at arm's length basis and under conditions that protect the rights of all shareholders. It also has the responsibility to ensure that no conflict of interest will arise from the related party transactions entered and must be disclosed to the general public.

Audit Committee

As provided by the Code of Corporate Governance of Publicly Listed Companies, the Board hereby designate the members of the Audit Committee to serve as the Related Party Transactions Committee to review all material related party transactions of the company.

The following are the functions of the RPT Committee, among others:

a. Evaluates on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs and changes in relationships should be reflected in the relevant reports to the Board and regulators/supervisors;

b. Evaluates all material RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with nonrelated parties under similar circumstances and that no corporate or business resources of the company are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. In evaluating RPTs, the Committee takes into account, among others, the following:



1. The related party's relationship to the company and interest in the transaction;
 2. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
 3. The benefits to the corporation of the proposed RPT;
 4. The availability of other sources of comparable products or services; and
 5. An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The company should have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs;
- c. Ensures that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the company's RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure should include information on the approach to managing material conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of the company's affiliation or transactions with other related parties;
- d. Reports to the Board of Directors on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties;
- e. Ensures that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process; and
- f. Oversees the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.

ANNEX "B-4"

INTERNAL AUDIT AND CONTROL SYSTEM

1) Internal Control System

The internal control system of MJC Investments is integrated into the company through laws, policies, and procedures that affect daily operations and management. Employees are informed of on updates and/or implementation of new policies through memorandums.

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

Review analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgements made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements.	AUDIT COMMITTEE CHARTER. Responsibilities on Financial Statements; par. 5, p.3.
Discuss the annual audited financial statements and quarterly financial statements with management and the external auditors, including the company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations".	AUDIT COMMITTEE CHARTER. Responsibilities on Financial Statements; par. 7, p.3.
Review disclosures made by the CEO and CFO about significant deficiencies in the design or operation of internal controls or any fraud that involves management or other employees who have a significant role in the company's internal controls.	AUDIT COMMITTEE CHARTER. Responsibilities on Financial Statements; par. 8, p.3.
The committee will, at least annually, obtain and review a report by the independent auditor describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer	AUDIT COMMITTEE CHARTER. Responsibilities on External Audit; par. 2-1, p.4.

review, of the firm, or by any inquiry or investigation by governmental or professional authorities.	
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(b) Period covered by the review;

- Financial Year 2018

(c) The internal controls are reviewed regularly as well as the directors' criteria for assessing the effectiveness of the internal control system. There is a regular report to the board of directors about committee activities and issues that arise with respect to the quality or integrity of the company's financial statements, the company's compliance with legal or regulatory requirements, the performance and independence of the company's independent auditors, and the performance of the internal audit function.

2) Internal Audit

(a) Role, Scope and Internal Audit Function

Role	Scope
Aids in the oversight function of the company's Audit Committee. (INTERNAL AUDIT CHARTER; Role, p.1.)	<p>The scope of the Internal Audit encompasses the examination and evaluation of the adequacy and effectiveness of the organization's governance, risk management process, system of internal control structure, and the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives. It includes:</p> <ol style="list-style-type: none"> Reviewing the reliability and integrity of the financial and operating information and the means used to identify, measure, classify, and report such information. Reviewing the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on operations and reports and whether the organization is in compliance. Reviewing the means of safeguarding assets and, as appropriate, verifying the existence of such assets. Reviewing and appraising the economy and efficiency with which resources are employed. Reviewing operations or programs to ascertain whether results are consistent with established

	<p>objectives and goals and whether the operations or programs are being carried out as planned.</p> <p>f. Reviewing specific operations at the request of the Audit Committee or management, as appropriate.</p> <p>g. Monitoring and evaluating the effectiveness of the organization's risk management system.</p> <p>h. Reviewing the quality of performance of external auditors and the degree of coordination with internal audit.</p> <p>i. Review the internal control statement by senior management and the related opinion by the attest auditor for audit planning. (INTERNAL AUDIT CHARTER; Audit Scope, p.2-3.)</p>
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Internal Audit Function

INTERNAL AUDIT FUNCTION	In-house
NAME OF CHIEF INTERNAL AUDITOR	Mr. Bernardo B. Callado
REPORTING PROCESS	<p>A written report will be prepared and issued by the Head of Internal Audit or designee following the conclusion of each audit and will be distributed as appropriate. A copy of each audit report and a summarization will be forwarded to the Chief Executive Officer and the Chairman of the Audit Committee.</p> <p>The Head of Internal Audit or designee may include in the audit report the auditee's response and corrective action taken or to be taken in regard to the specific findings and recommendations. Management's response should include a timetable for anticipated completion of action to be taken and an explanation for any recommendations not addressed.</p> <p>In cases where a response is not included within the audit report, management of the audited area should respond, in writing, within thirty days of publication to Internal Auditing and those on the distribution list.</p> <p>Internal Audit shall be responsible for appropriate follow-up on audit findings</p>

	and recommendations. All significant findings will remain in an open issues file until cleared by the Chief Audit Executive or the Audit Committee. (INTERNAL AUDIT CHARTER; Reporting, p.3-4.)
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- (b) The appointment and/or removal of the Internal Auditor or the accounting /auditing firm or corporation to which the internal audit function is outsourced requires the approval of the audit committee. The Head of Internal Audit shall report administratively to the Chief Executive Officer and functionally to the Audit Committee of the Board of Directors. (INTERNAL AUDIT CHARTER; Organization, p.2.)

(c) Progress against Plans, Issues, Findings and Examination Trends

Stated below is the internal audit's progress against plans, significant issues, significant findings and examination trends.

Progress against Plans	Assignments are taken up according to the audit plan.
Issues	Every material issue is given appropriate attention and further investigation.
Findings	Material findings are reported to the board. Recommendations, as remedies, are provided also to management for consideration for application.
Examination Trends	Findings and recommendations by Internal Audit are reviewed and are directed for application to management.

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

- Preparation of an audit plan inclusive of a timeline and milestones;
- Conduct of examination based on the plan;
- Evaluation of the progress in the implementation of the plan;
- Documentation of issues and findings as a result of the examination;
- Determination of the pervasive issues and findings ("examination trends") based on single year result and/or year-to-year results;
- Conduct of the foregoing procedures on a regular basis.

¹ "Issues" are compliance matters that arise from adopting different interpretations.

² "Findings" are those with concrete basis under the company's policies and rules.

(d) Audit Control Policies and Procedures

Stated below are the internal audit controls, policies and procedures that have been established by the company and the result of an assessment as to whether the established controls, policies and procedures have been implemented under the column "Implementation."

Policies & Procedures	Implementation
Establishment of role and function	Implemented
Adherence to a set of professional standards	Implemented
Full, free, and unrestricted access to any and all records, property, and personnel.	Implemented
Direct reporting relationship to the Board of Directors	Implemented
Establishment & maintenance of independence from management	Implemented
Scope of audit function	Implemented
Establishment of audit planning and process	Implemented
Periodic assessment of performance and efficiency	Implemented

(e) Mechanism and Safeguards

Stated below is the mechanism established by the company to safeguard the independence of the auditors, financial analysts, investment banks and rating agencies:

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
Internal Auditor	All internal audit activities shall remain free of influence by any element in the organization, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of an independent and objective mental attitude necessary in rendering reports. Internal auditors shall have no direct operational responsibility or authority over any of the activities they review. Accordingly, they shall not develop nor install systems or procedures, prepare records, or engage in any other activity which would normally be audited. (INTERNAL AUDIT CHARTER. Independence; p.2.)		

External Auditor	At least annually, obtain and review a report by the independent audit and (to assess the auditor's independence) all relationships between the independent auditor and the company. (AUDIT COMMITTEE CHARTER. Responsibilities (External Audit, par. 2-1, p.5.)
Investment Banks	All short term investments with Banco de Oro Inc. (BDO) were approved by both the Chief Finance Officer (CFO) and Treasurer. The terms and conditions of these placements were covered by agreements; they were properly recorded and disclosed in the books. Likewise, the terminations of placements were approved by both the CFO and Treasurer.
Financial Analysts	Discuss earnings press releases (particularly use of "pro-forma", or "adjusted" non-GAAP, information), as well as financial information and earnings guidance provided to analysts and rating agencies. This review may be general (i.e., the types of information to be disclosed and the type of presentations to be made). The audit committee does not need to discuss each release in advance. (AUDIT COMMITTEE CHARTER. Responsibilities; Financial Statements, par. 9, p.3.)
Rating Agencies	Discuss earnings press releases (particularly use of "pro-forma", or "adjusted" non-GAAP, information), as well as financial information and earnings guidance provided to analysts and rating agencies. This review may be general (i.e., the types of information to be disclosed and the type of presentations to be made). The audit committee does not need to discuss each release in advance. (AUDIT COMMITTEE CHARTER. Responsibilities; Financial Statements, par. 9, p.3.)

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

AUDIT COMMITTEE CHARTER

In compliance with the Securities and Exchange Commission Memorandum Circular No. 19 series of 2016, otherwise known as the Code of Corporate Governance for Publicly-Listed Companies,¹ the Board of Directors of MJC Investments Corp. adopts the following Audit Committee Charter subject to the provisions of the Company's Articles of Incorporate and By-Laws and all applicable laws of the Philippines

I. PURPOSE

The Board of the Directors shall establish an Audit Committee to in fulfilling its oversight responsibilities for (1) the integrity of the company's financial statements (2) the company's compliance with legal and regulatory requirements, (3) the independent auditor's qualifications and independence, and (4) the performance of the company's internal audit function and independent auditors.

II. AUTHORITY

The Audit Committee has the authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:

- Appoint, compensate, and oversee the work of the public accounting firm employed by the organization to conduct the annual audit. This firm will report directly to the audit committee.
- Resolve any disagreements between management and the auditor regarding financial reporting.
- Confirm/ratify all auditing and permitted non-audit services performed by the company's external audit firm.
- Retain independent counsel, accountants, or others to advise the committee or assist in the conduct of an investigation.
- Seek any information it requires from employees--all of whom are directed to cooperate with the committee's requests--or external parties.
- Meet with company officers, external auditors, or outside counsel, as necessary.

¹ Hereinafter referred to as the "Code."

- The committee may delegate authority to subcommittees, including the authority to pre-approve all auditing and permitted non-audit services, providing that such decisions are presented to the full committee at its next scheduled meeting.

III. COMPOSITION

The Audit Committee will consist of at least three (3) and no more than six (6) members of the board of directors. The board nominating committee will appoint committee members and the committee chair.

At least one member should be independent minded. At least one member shall be designated as the "financial expert," as defined by applicable legislation and regulation.

IV. MEETINGS

The committee will meet at least four times a year, with authority to convene additional meetings, as circumstances require. All committee members are expected to attend each meeting. The committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary. It will meet periodically in executive session. It will also meet separately, periodically, with management, with internal auditors and with external auditors. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared.

V. RESPONSIBILITIES

The committee will carry out the following responsibilities:

Financial Statements

Review significant accounting and reporting issues and understand their impact on the financial statements. These issues include:

- Complex or unusual transactions and highly judgmental areas
- Major issues regarding accounting principles and financial statement presentations, including any significant changes in the company's selection or application of accounting principles
- The effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the company
- Review analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements.

- Review with management and the external auditors the results of the audit, including any difficulties encountered. This review will include any restrictions on the scope of the independent auditor's activities or on access to requested information, and any significant disagreements with management.
- Discuss the annual audited financial statements and quarterly financial statements with management and the external auditors, including the company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."
- Review disclosures made by CEO and CFO about significant deficiencies in the design or operation of internal controls or any fraud that involves management or other employees who have a significant role in the company's internal controls.
- Discuss earnings press releases (particularly use of "pro forma," or "adjusted" non-GAAP, information), as well as financial information and earnings guidance provided to analysts and rating agencies. This review may be general (i.e., the types of information to be disclosed and the type of presentations to be made). The audit committee does not need to discuss each release in advance.

Internal Control

- Consider the effectiveness of the company's internal control system, including information technology security and control.
- Understand the scope of internal and external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.

Internal Audit

- Review with management and the chief audit executive the charter, plans, activities, staffing, and organizational structure of the internal audit function.
- Ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the chief audit executive.
- Review the effectiveness of the internal audit function, including compliance with The Institute of Internal Auditors' *Standards for the Professional Practice of Internal Auditing*.
- On a regular basis, meet separately with the chief audit executive to discuss any matters that the committee or internal audit believes should be discussed privately.

External Audit

- Review the external auditors' proposed audit scope and approach, including coordination of audit effort with internal audit.
- Review the performance of the external auditors, and exercise final approval on the appointment or discharge of the auditors. In performing this review, the committee will
 - At least annually, obtain and review a report by the independent auditor describing: the firm's internal quality-control procedures; any material issues

raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (to assess the auditor's independence) all relationships between the independent auditor and the company.

- Take into account the opinions of management and internal audit.
- Review and evaluate the lead partner of the independent auditor.
- Present its conclusions with respect to the external auditor to the Board.
- Ensure the rotation of the lead audit partner every five years and other audit partners every seven years and consider whether there should be regular rotation of the audit firm itself.
- Present its conclusions with respect to the independent auditor to the full board.
- Set clear hiring policies for employees or former employees of the independent auditors.
- On a regular basis, meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.

Compliance

- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
- Establish procedures for: (i) The receipt, retention, and treatment of complaints received by the listed issuer regarding accounting, internal accounting controls, or auditing matters; and (ii) The confidential, anonymous submission by employees of the listed issuer of concerns regarding questionable accounting or auditing matters.
- Review the findings of any examinations by regulatory agencies, and any auditor observations.
- Review the process for communicating the code of conduct to company personnel, and for monitoring compliance therewith.
- Obtain regular updates from management and company legal counsel regarding compliance matters.

Reporting Responsibilities

- Regularly report to the board of directors about committee activities and issues that arise with respect to the quality or integrity of the company's financial statements, the company's compliance with legal or regulatory requirements, the performance and independence of the company's independent auditors, and the performance of the internal audit function.
- Provide an open avenue of communication between internal audit, the external auditors, and the board of directors.



- Report annually to the shareholders, describing the committee's composition, responsibilities and how they were discharged, and any other information required by rule, including approval of non-audit services.
- Review any other reports the company issues that relate to committee responsibilities.

Other Responsibilities

- Discuss with management the company's major policies with respect to risk assessment and risk management.
- Perform other activities related to this charter as requested by the board of directors.
- Institute and oversee special investigations as needed.
- Review and assess the adequacy of the committee charter annually, requesting board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.
- Confirm annually that all responsibilities outlined in this charter have been carried out.
- Evaluate the committee's and individual members' performance at least annually.

VI. FINAL PROVISIONS

This policy shall be subject to regular review by the Board and shall be revised or amended as the Board deems it appropriate.

MIC AUDIT COMMITTEE MEMBERS

Laurito E. Serrano	-	Committee Chair
Jose B. Rubio	-	Member
Walter L. Mactal	-	Member
John Anthony B. Espiritu	-	Member
Victor P. Lazatin	-	Member

LAURITO E. SERRANO

Filipino, born on 3 August 1960. He is a Certified Public Accountant with a Master of Business Administration degree from the Harvard Graduate School of Business. He currently serves as an Independent Director and Chairman of the Audit and Risk Management Committee of Atlas Consolidated Mining and Development Corporation. He is also a director of the Philippine Veterans Bank and a member of its Corporate Governance and Audit Committees; an independent director of the APC Group, Inc.; and a director of MRT Development Corporation, among others. Mr. Serrano is also a former partner of the Corporate Finance Consulting Group of SGV & Co.

JOSE ALVARO D. RUBIO

Filipino, born on 19 February 1953. Mr. Rubio was the Senior Vice President at Philippine National Bank ("PNB") and has over thirty five (35) years of banking industry experience, including various positions in international banking, remittance, budgeting, corporate planning, controllership, systems design/improvement, branch banking, audit and lending operations including the head of the corporate banking group at PNB, overseeing the financing activities for major corporate accounts in areas including real estate, construction, telecommunications, power and energy, manufacturing, hotels, tourism and services. He was a former member and Director of the Bank Administration Institute of the Philippines, an association of local and foreign banks. Mr. Rubio graduated from University of the East with a degree of Bachelor of Science in Business Administration Major in Accounting (Cum Laude) and is a Certified Public Accountant.

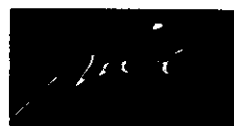
WALTER L. MACTAL

Filipino, 34 years of age, as of 10 May 2017, has served as a director of the Corporation for one (1) month. He received an A.B. Economics degree from the Ateneo De Manila University in 2004. He obtained his Juris Doctor from the Ateneo de Manila University - School of Law in 2008. He was admitted to the Philippine Bar in 2009 and he continued working in a private law firm in Makati City until March 2012. Presently, Mr. Mactal works as a Director for Legal and Corporate Affairs in a private company in the Philippines. He has a broad legal experience in litigation, labor relations, contract drafting and negotiation, intellectual property, and various corporate compliance services.

JOHN ANTHONY B. ESPIRITU

Filipino, born on 12 July 1963. He graduated from University of Michigan, Ann Arbor, Michigan, United States with a degree of Bachelor of Business Administration in May 1985. He also obtained from said university his master's degree in Business Administration in May 1990. He

occupied and is
the following positions



MJC

INVESTMENTSCORP.

currently holding
in the last five (5)

year: President/Director of EBE Land, Inc. (January 1997 to present); Chairman /Publisher of the Philippine News, San Francisco, California (November 2004 to present); Director of Asia-Pacific Medical Corp of Saipan, Northern Marianas Islands (June 1998 to present). He resides at Penthouse B, Ritz Towers, Ayala Avenue, Makati City.

VICTOR P. LAZATIN

Filipino, born on 16 August 1947. He graduated from University of the Philippines with a degree of AB Economics in 1967 and finished his Bachelor of Laws degree in the same school in 1971 (Cum Laude). He obtained a Masters of Law from University of Michigan in 1974. He resides at 237 West Batangas St., Ayala Alabang, Muntinlupa City. In the last five (5) years or more, he is affiliated with and occupied the following positions in various institutions, viz: Director, ACCRA Investment Corporation (1980-2008), Corporate Secretary/Director, Wide Wide World Express (1995-2008), Corporate Secretary, Oribanex Holdings (1996-2008), Chairman, Timog Silangan Development Corp. (1976-2008), President, Devinelle Provident lands, Inc. (1995-2008), President, Banana d' Or (2001-2008), President, Brodhas Realty Inc. (2000-2008), Senior Partner, Angara Abello Concepcion Regala & Cruz Law Offices (2002 to present). He was elected as Independent Director of MJIC on 6 February 2009.

CONFLICT OF INTEREST POLICY

In compliance with the Securities and Exchange Commission Memorandum Circular No. 19 series of 2016, otherwise known as the Code of Corporate Governance for Publicly-Listed Companies,¹ the Board of Directors of MJC Investments Corp. adopts the following Conflict of Interest Policy subject to the provisions of the Corporate Governance Code, Securities Regulations Code, Philippine Stock Exchange Disclosure Rules, Corporation Code of the Philippines and all applicable laws of the Philippines

I. PURPOSE

The purpose of this policy is to ensure that the members of the Board of Directors remain committed to the goals and mission of the company and that their judgment and decisions are not influenced by unwarranted personal and other conflict of interests. This policy also aims to guide the Board in avoiding actual or possible conflict of interest through properly outlined procedures in identifying and dealing with conflict of interests.

II. CONCEPT OF CONFLICT OF INTEREST

Conflict of interest can occur when a Director's, officer's or employee's actions and interests appear to be in contrast to the goals and mission of the company and when personal interests hinder the effective performance of the tasks and responsibilities assigned to him/her. Conflict of interest can be in a form of:

- Familial and other personal relationships
- Using one's position or resources to favor or for the advantage and benefit of family and friends.
- Personal Ownerships and other Work Engagements
- Using one's position and resources to favor one's personal business ownership or investment
- Interference of other outside activities to the effective and fair judgement of a Director, officer or employee
- Engagement in any trade, business or occupation outside of the company that significantly affects the time and attention that should be rendered for the performance of duties and responsibilities of an employee to the company

¹Hereinafter referred to as the "Code."

- Engagement in any trade or business transaction with a competing company wherein business information of the company may be exposed
- Other similar acts that would put the company in a disadvantage in favor of the personal gain and benefit of an employee

III. ROLES AND RESPONSIBILITIES

Directors, officers and employees have the responsibility to maintain the highest possible integrity and loyalty in service of the company. Any actual or possible, personal or observed, conflict of interest must then be disclosed to the Management.

The Board's Audit Committee should be alerted for any potential conflict of interest situations especially if it concerns a member of the Board or an officer of the Company.

The Audit Committee must ensure that all employees of the company are properly informed and that they understood the provisions of this policy. Upon receiving information regarding the actual or possible conflict of interest among its employees, the Audit Committee may create a special investigating committee for investigation.

The investigating committee shall thoroughly investigate reported actual or possible conflict of interest. In the event that conflicts are determined to be present, the investigating committee has the responsibility to resolve the conflict and provide guidance to the employees in managing conflict of interests.

In case of a reported conflict of interest concerning member/s of the Board of Directors, the Audit Committee shall act as the investigating committee.

IV. PROCEDURES AND GUIDELINES

Reporting of Conflict of Interests

All Directors, officers and employees are to be oriented about this policy during on-boarding and must be required to submit a Disclosure Statement, which shall accurately disclose all actual and possible conflict of interest and shall be updated annually thereafter.

On corporate disclosures, the Board, through its Audit Committee shall establish guidelines to ensure a comprehensive, accurate, reliable and timely report to shareholders other stakeholders subject to the disclosure requirements of the Securities Regulation Code, Philippine Stock Exchange Listing and Disclosure Rules and other regulations such as those required by the Bangko Sentral ng Pilipinas.



Should significant changes in personal financial, activities or relationships, which is determined as a conflict of interest, occur within the year, the individual involved is required to resubmit the statement within 30 days after confirmation of the conflict of interest to the Audit Committee through the Human Resource Division or, in case of a member of the Board of Directors, to the Audit Committee

Upon receiving the report, the Human Resource Division shall review the statement and should conflict of interest be raised, the issue shall be referred to the investigating committee or the Audit Committee for investigation.

Should an employee fail to report a conflict of interest and another reports this conflict, please refer to the Whistle Blowing Policy.

Investigation and Resolution of Conflict of Interest

The investigation committee will be in charge of the investigation of the conflict. Should conflict of interest be determined and confirmed, the investigating committee shall discuss the result to the employee and discuss and agree about the process to eliminate or manage the conflict. If the employee and the integrity officer does not arrive to an agreeable decision, the Audit Committee shall issue the final resolution.

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

ENTERPRISE RISK MANAGEMENT

In compliance with the Securities and Exchange Commission Memorandum Circular No. 19 series of 2016, otherwise known as the Code of Corporate Governance for Publicly-Listed Companies,¹ the Board of Directors of MJC Investments Corp. adopts the following Enterprise Risk Management subject to the provisions of the of the Corporate Governance Code, Securities Regulations Code, Philippine Stock Exchange Disclosure Rules, Corporation Code of the Philippines and all applicable laws of the Philippines

I. OBJECTIVE

The Company recognizes that an adequate and effective internal control system and an enterprise risk management framework help sustain safe and sound operations as well as implement management policies to attain corporate goals. An effective internal control system embodies management oversight and control culture; risk recognition and assessment; control activities; information and communication; monitoring activities and correcting deficiencies. 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.

II. CONCEPT OF RISK MANAGEMENT

As defined under the Code, **Enterprise Risk Management** is a process effected by the Board of Directors, management and other personnel, applied in strategy setting and across the enterprise that is designed to identify potential events that may affect the entity, manage risks to be within its risk appetite, and provide reasonable assurance regarding the achievement of entity objectives.

III. ROLES AND RESPONSIBILITIES

The company's Internal Audit shall monitor and guide the implementation of company policies by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of the company's governance, risk management and control functions.

As laid down in the Code, the Internal Audit shall have the following functions:

¹Hereinafter referred to as the "Code."

- a. Provide an independent risk-based assurance service to the Board, Audit Committee and Management, focusing on reviewing the effectiveness of the governance and control processes in
 - (1) promoting the right values and ethics
 - (2) ensuring effective performance management and accounting in the organization
 - (3) communicating risk and control information, and
 - (4) coordinating the activities and information among the Board, external and internal auditors, and Management;
- b. Performs regular and special audit as contained in the annual audit plan and/or based on the company's risk assessment;
- c. Performs consulting and advisory services related to governance and control as appropriate for the organization;
- d. Performs compliance audit of relevant laws, rules and regulations, contractual obligations and other commitments, which could have a significant impact on the organization;
- e. Reviews, audits and assesses the efficiency and effectiveness of the internal control system of all areas of the company;
- f. Evaluates operations or programs to ascertain whether results are consistent with established objectives and goals, and whether the operations or programs are being carried out as planned;
- g. Evaluates specific operations at the request of the Board or Management, as appropriate; and
- h. Monitors and evaluates governance processes.

IV. PROCEDURE AND GUIDELINES

The Risk Management Committee will ensure that risks are actively identified, analyzed, and managed. Risks will be identified as early as possible so as to minimize their impact.

Risk Identification. This will include an evaluation of environmental factors, organizational culture and the project management plan.

Risk Analysis. All risks identified will be assessed to identify the range of possible impacts. Qualifications will be used to determine which risks are the top risks to pursue and respond to and which risks can be ignored.

Risk Evaluation. Identified risks shall be evaluated and classified by determining the risk magnitude which is the combination of likelihood and consequence. Each major risk will be assigned to a project team member for monitoring purposes.

Treatment of the Risk. The highest ranked risks are assessed and a plan will be set to treat or modify these risks to achieve acceptable risk levels. Determine how to minimize the probability of the negative risks as well as enhancing the opportunities. Risk mitigation strategies, preventive plans and contingency plans will be adopted.

Risk Monitoring, Controlling and Reporting. All identified risk, particularly the highest ranked risks, will be monitored, tracked and reviewed.

INSIDER TRADING POLICY

In compliance with the Securities and Exchange Commission Memorandum Circular No. 19 series of 2016, otherwise known as the Code of Corporate Governance for Publicly-Listed Companies,¹ the Board of Directors of MJC Investments Corp. adopts the following Board of Directors Charter subject to the provisions of the of the Corporate Governance Code, Securities Regulations Code, Philippine Stock Exchange Disclosure Rules, Corporation Code of the Philippines and all applicable laws of the Philippines

I. PURPOSE

Consistent with the company's commitment to honesty and transparency, this policy aims to ensure that any employee of the company will avoid trading any material non-public information obtained during the performance of one's duties and responsibilities in order to build and maintain investor confidence.

II. DEFINITION OF TERMS

- a. **Insider** – means (a) the issuer; (b) a director or officer (or any person performing similar functions) of, or a person controlling the issuer; gives or gave him access to material information about the issuer or the security that is not generally available to the public; (d) A government employee, director, or officer of an exchange, clearing agency and/or self-regulatory organization who has access to material information about an issuer or a security that is not generally available to the public; or (e) a person who learns such information by a communication from any forgoing insiders.²
- b. **Material Non-public Information** – means information that (a) not been generally disclosed to the public and would likely affect the market price of the security after being disseminated to the public and the lapse of a reasonable time for the market to absorb the information; or (b) would be considered by a reasonable person important under the circumstances in determining his course of action whether to buy, sell or hold a security.
- c. **Securities** – means shares, participation or interests in a corporation or in a commercial enterprise or profit-making venture and evidenced by a certificate, contract, instruments, whether written or electronic in character. It includes:

¹Hereinafter referred to as the "Code."

²Section 3.8 of the Securities Regulation Code.

- (a) Shares of stocks, bonds, debentures, notes evidences of indebtedness, asset-backed securities;
- (b) Investment contracts, certificates of interest or participation in a profit sharing agreement, certifies of deposit for a future subscription;
- (c) Fractional undivided interests in oil, gas or other mineral rights;
- (d) Derivatives like option and warrants;
- (e) Certificates of assignments, certificates of participation, trust certificates, voting trust certificates or similar instruments
- (f) Proprietary or nonproprietary membership certificates in corporations; and
- (g) Other instruments as may in the future be determined by the Securities and Exchange Commission.³

III. CONCEPT OF INSIDER TRADING

Insider trading occurs when an employee who has possession of material non-public information and access to the securities of the company including third parties to whom the company does business with, has offered or traded said information to another entity up to two full trading days after the information has been made public.

IV. PROHIBITED ACTS

1. Section 27 of the Securities Regulation Code (SRC). It shall be unlawful for an insider to sell or buy a security of the issuer, while in possession of material information with respect to the issuer or the security that is not generally available to the public, unless:
 - a. The insider proves that the information was not gained from such relationship; or
 - b. If the other party selling to or buying from the insider (or his agent) is identified, the insider proves:
 - i. that he disclosed the information to the other party, or
 - ii. that he had reason to believe that the other party otherwise is also in possession of the information.

A purchase or sale of a security of the issuer made by an insider or such insider's spouse or relatives by affinity or consanguinity within the second degree, legitimate or common-law, shall be presumed to have been effected while in possession of material nonpublic information if transacted after such information came into existence but prior to dissemination of such information to the public and the lapse of a reasonable time for market to absorb such information: *Provided, however,* That this presumption shall be rebutted upon a showing by the purchaser or seller that he was aware of the material nonpublic information at the time of the purchase or sale.

³Section 3.1 of the Securities Regulation Code.

2. Section 27.3 of the SRC. It shall be unlawful for any insider to communicate material nonpublic information about the issuer or the security to any person who, by virtue of the communication, becomes an insider, where the insider communicating the information knows or has reason to believe that such person will likely buy or sell a security of the issuer while in possession of such information.

3. Section 27.4 of the SRC.(a) It shall be unlawful where a tender offer has commenced or is about to commence for:

- a. Any person (other than the tender offeror) who is in possession of material nonpublic information relating to such tender offer, to buy or sell the securities of the issuer that are sought or to be sought by such tender offer if such person knows or has reason to believe that the information is nonpublic and has been acquired directly or indirectly from the tender offeror, those acting on its behalf, the issuer of the securities sought or to be sought by such tender offer, or any insider of such issuer; and
- b. Any tender offeror, those acting on its behalf, the issuer of the securities sought or to be sought by such tender offer, and any insider of such issuer to communicate material nonpublic information relating to the tender offer to any other person where such communication is likely to result in a violation of Subsection 27.4 (a)(i) of the SRC.
- c. Section 13.2 PSE Disclosure Rules. A Director, officer, employee or consultant of an issuer must not deal with the Company's securities during the period within which material non-public information is obtained and up to two (2) full trading days after the price sensitive information is disclosed.

V. ROLES AND RESPONSIBILITIES

All members of the Board of Directors are required to report to the company any and all dealings in the company's share within three (3) business days.

Directors, Officers and Employees are responsible to keep all information regarding the securities of the company confidential before said information has been made public. They are also responsible for maintaining integrity and transparency by not trading any information before it was publicly disclosed.

ANNEX "C"**BOARD COMMITTEES****1) Number of Members, Functions, and Responsibilities**

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

Committee	No. of Members			Committee Charter
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)	
Executive	3	1	1	
Audit	1	2	2	
Nomination	2	1	1	
Remuneration	1	2	1	

Functions Key Responsibilities Power	
Executive Committee	Serves as the sounding board of the Chief Executive Officer and may act on any matter with the full authority of the Board.
Nomination Committee	Reviews and evaluates the qualifications of all persons nominated to the Board and other appointments that require Board approval, and assesses the effectiveness of the Board's processes and procedures in the election or replacement of directors.
Audit Committee	a) Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations; b) Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the corporations. This function shall include regular receipt from Management of information on risk exposures and risk management activities;

	<p>c) Perform oversight functions over the corporation's internal and external auditors. It should ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;</p> <p>d) Review the annual internal audit plan to ensure its conformity with the objectives of the corporation. The plan shall include the audit scope, resources and budget necessary to implement it;</p> <p>e) Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts.</p> <p>f) Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;</p> <p>g) Monitor and evaluate the adequacy and effectiveness of the corporation's internal control system, including financial reporting control and information technology security;</p> <p>h) Review the reports submitted by the internal and external auditors;</p> <p>i) Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters:</p> <ul style="list-style-type: none"> • Any change/s in accounting policies and practices • Major judgmental areas • Significant adjustments resulting from the audit • Going concern assumptions • Compliance with accounting standards • Compliance with tax, legal and regulatory requirements. <p>j) Coordinate, monitor and facilitate compliance with laws, rules and regulations;</p>
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	<p>k) Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the corporation's overall consultancy expenses. The committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the corporation's annual report;</p> <p>l) Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit Committee.</p> <p>The Audit Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties.</p>
Remuneration Committee	<p>a) Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Corporation's culture, strategy and control environment.</p> <p>b) Designated amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the company successfully.</p> <p>c) Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of individual directors, if any, and officers.</p> <p>d) Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers which among others compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or</p>

	<p>indirectly conflict in their performance of duties once hired.</p> <p>e) Disallow any director to decide his or her own remuneration.</p> <p>f) Provide in the Corporation's annual reports, information and proxy statements a clear, concise and understandable disclosure of compensation of its executive officers for the previous fiscal year and the ensuing year.</p> <p>g) Review (if any) of the existing Human Resources Development or Personnel Handbook, to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically met in their respective posts.</p> <p>h) Or in the absence of such Personnel Handbook, cause the development of such, covering the same parameters of governance stated above.</p>
Investment and Finance Committee	Proposes and evaluates viable investments and ventures which the Corporation may possibly enter into.
Racing Committee	Oversees continuance compliance with existing rules and regulations on racing imposed by regulatory agencies. Adopts/proposes current worldwide trends in horse racing.

2) Committee Members

(a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Alfonso R. Reyno, Jr.	June 28, 2018	None	Not applicable	N/A	11 mos.
Member (ED)	Chai Seo Meng	June 28, 2018	None	Not applicable	N/A	11 mos.

Member (NED)	Walter L. Mactal	June 28, 2018	None	Not applicable	N/A	11 mos.
Member (ED)	Alfonso G. Reyno III	June 28, 2018	None	Not applicable	N/A	11 mos.
Member (ID)	Laurito E. Serrano	June 28, 2018	None	Not applicable	N/A	11 mos.

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Laurito E. Serrano	June 28, 2018	1	1	100%	11 mos.
Member (ID)	Victor P. Lazatin	June 28, 2018	1	1	100%	11 mos.
Member (ED)	Jose Alvaro D. Rubio	June 28, 2018	1	1	100%	11 mos.
Member (NED)	Walter L. Mactal	June 28, 2018	1	1	100%	11 mos.
Member (NED)	John Anthony B. Espiritu	June 28, 2018	1	1	100%	11 mos.

Profile or qualifications of the Audit Committee members:

- The Audit Committee members are directors with strong management and financial backgrounds. At least one independent director should be a member of the Audit Committee.
- The Audit Committee approved the policies and procedures for the services of the external auditor.

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Gabriel A. Dee	June 28, 2018	None	Not applicable	N/A	11 mos.
Member (NED)	Walter L. Mactal	June 28, 2018	None	Not applicable	N/A	11 mos.

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Member (ED)	Alfonso V.G. Reyno III	June 28, 2018	None	Not applicable	N/A	11 mos.
Member (ID)	Victor P. Lazatin	June 28, 2018	None	Not applicable	N/A	11 mos.

(d) Compensation and Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Walter L. Mactal	June 28, 2018	None	Not applicable	N/A	11 mos.
Member (ED)	Alfonso V.G. Reyno III	June 28, 2018	None	Not applicable	N/A	11 mos.
Member (NED)	John Anthony B. Espiritu	June 28, 2018	None	Not applicable	N/A	11 mos.
Member (ID)	Laurito E. Serrano	June 28, 2018	None	Not applicable	N/A	11 mos.

(e) Work done by each committee and the significant issues addressed during the year.

Name of Committee	Work Done	Issues Addressed
Executive	No meetings conducted yet.	Not applicable.
Audit	Reviewed and approved the audited financial statement of the Corporation.	
Nomination	Reviewed and screened the nominees for independent and regular directors.	
Remuneration	No meetings conducted yet.	Not applicable.

ANNEX "D"**CODE OF BUSINESS CONDUCT ETHICS**

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	The Directors, officers and employees should act in the best interest of the Company and avoid any activity, interest, or association outside the Company that could impair their ability to perform their work objectively and effectively or that could give the appearance of interfering with their responsibilities on behalf of the Company or its clients. A conflict of interest occurs when the private interest of a director, officer or employee interferes or appears to interfere in any way with the interests of the Company as whole or when a director, officer or employee takes actions or has interests that make or appear to make it difficult to perform his or her Company work objectively and effectively.		
(b) Conduct of Business and Fair Dealings	<p>The Company seeks to outperform its competitors fairly and honestly through superior performance. We do not take unfair advantage of anyone through manipulation, concealment, abuse or privileged information, misrepresentation of facts or any other unfair dealing practice.</p> <p>We treat our employees and applicants for employment fairly and will not discriminate on account of gender, religion, age, nationality, family status or any other reasons prohibited by law.</p> <p>We treat everyone with respect and shall be guided by professionalism, integrity and good faith in transactions with and obligations to our Company's customers, suppliers, business partners, government regulators, creditors, creditors and employees.</p>		
(c) Receipt of gifts from third parties	<p>We restrict the solicitation or acceptance of gifts in any form from a third person or entity, directly or indirectly in consideration of any act, omission or transaction of our Company favorable to such third person or entity with existing or intended business dealings with our Company.</p> <p>A "gift" may be a right or thing of value, like cash or cash equivalent, loan, fee, reward, commission, allowance, employment, travel and benefits.</p> <p>The restriction shall not apply to: a) a gift of nominal value voluntarily given by a third person or entity to a director, officer or employee of</p>		

	our Company as souvenir or out of courtesy; or b) a gift given for charitable projects for the benefit of the poor or the general public.
(d) Compliance with Laws & Regulations	<p>We shall comply with all laws and the rules and regulations of the regulatory agencies governing the business operations of our Company.</p> <p>In the performance of our duties, we shall at all times, be aware and adhere to the requirements, restrictions and limitations imposed by laws, rules and regulations and our Company's policies , rules and regulations.</p>
(e) Respect for Trade Secrets/Use of Non-public Information	<p>We maintain and safeguard the confidentiality of information entrusted to the directors, officers, and employees by our Company, except when disclosure is authorized or legally mandated. Confidential information includes any non-public information that might be of use to competitors, or harmful to our Company if disclosed.</p>
(f) Use of Company Funds, Assets and Information	<p>This confidentiality obligation shall survive our separation from our Company due to retirement, resignation, termination, expiration of term of office, or expiration or termination of contract, or any other cause.</p> <p>We shall not take undue advantage of material non-public information by dealing in the securities of our Company while in possession of such information. Material non-public information refers to any information that is likely to affect the market price of our Company's securities and is not yet publicly disclosed.</p> <p>We respect and uphold the confidential and proprietary information of other companies. We shall not knowingly appropriate, infringe or make an unauthorized use of a valid trademark, patent, trade secret or proprietary technology belonging to our Company or to another person or entity.</p>
(g) Employment & Labor Laws & Policies	<p>We shall comply with all laws and the rules and regulations of the regulatory agencies governing the business operations of our Company.</p>
(h) Disciplinary action	<p>The Company affords procedural and substantive due process to any employee found to have committed an offense against the corporation's established authority, policies and procedures, rules and regulations during office hours and within company premises.</p> <p>Thus, a Disciplinary Action Memorandum (DAM) should be initiated by any of the following persons: the section head or the department head of the subject employee or by any officer of the corporation. The DAM (notice) should state, among others, the offense charged and the duration which the employee is required to submit a reply.</p>

	After the receipt of the reply, an investigations and/or hearings may be conducted.
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In implementing and monitoring compliance with the Code of Business Ethics and Conduct, the Company's Corporate Governance Office has the specific task of implementing and monitoring corporate governance policies throughout the organization and the definition of the process by which such policies are implemented and monitored.

On the other hand, department Heads have the responsibility for the monitoring, ensuring, and enforcing compliance with this Code within their area of jurisdiction. The Department Heads shall also be responsible for the dissemination thereof and reporting non-compliance with this Code to their hierarchy or the Corporate Governance Office whenever appropriate, including taking or implementing disciplinary actions after proper exercise of due process.

ANNEX "E"**DISCLOSURE AND TRANSPARENCY****a. Ownership Structure****i. Holding 5% shareholding or more**

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	PCD Nominee Corporation 37F Tower 1, The Enterprise Center, 6766 Ayala Ave. cor. Paseo de Roxas, Makati City Stockholder	PCD Participants*	Filipino	2,284,228,597	71.96%

b. Does the Annual Report disclose the following:

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

c. External Auditor's fee

Name of auditor	Audit Fee (VAT Inclusive)	Non-audit Fee
SGV & Co.	₱1,120,000.00	None.

d. Medium of Communication

- The Company mails notices to all its shareholders and posts relevant information on its website.

e. Date of release of audited financial report:

- April 15, 2019

f. The Company Website discloses up-to-date information about the following:

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

g. Disclosure of Related Party Transactions

RPT	Relationship	Nature	Value
Manila Jockey Club, Inc.	Stockholder Receivable/ (Payable)	Deposit for future Subscription Advances from related parties Commission from the off-track betting	(152,254,429.00) (4,970,819.00) 371,013
Manilacockers Club, Inc. (MCI)	Affiliate Receivable	Commission from the off-track betting	701,543

All related party transactions with subsidiaries, SPE and associate were properly approved by authorized officers. These were recorded and fully disclosed in the financial statements. The external auditor, SGV & Co., extensively reviews the related party transactions in the regular financial audit.

- h. The following documents are made available to the general public through the Company website:

SEC Filings
Annual Reports
Quarterly Reports
Current Reports
Information Statements
Statements of Beneficial Ownership
General Information Sheets
Notices of Annual or Special Stockholders' Meetings
Minutes of the Annual Stockholder's Meeting

Other Disclosures:

List of Top 100 Stockholders
MJC Top 100 PDTC
RCBC MJC Top 100
Public Ownership Report
Disbursement of Proceeds and Progress Report
Compliance Report on Corporate Governance
Declaration of Cash Dividends
Disclosures to the Philippine Stock Exchange

ANNEX "F"**ACCOUNTING AND FINANCIAL DISCLOSURE**

In 2017, the Group engaged the accounting firm of Sycip Gorres Velayo and Company (SGV & Co.) as the Company's principal external auditors in pursuant to the General Requirements of SRC Rule 68, Par. 3 (Qualifications and Reports of Independent Auditors). Adeline D. Lumbres has been the Partner In-charge effective audit year 2017.

External Audit Fees and Services

The Group paid its external auditors the following fees in the past two years.

	Audit and Audit-related Fees <i>(with VAT)</i>
2018	₱1,120,000.00
2017	₱896,000.00

The audit committee approved the policies and procedures for the services. No other fees were paid to said auditors for other services.

There were no disagreements with the SGV & Co. on any matter of accounting and financial disclosures.

External Audit Fees and Audit Related Fees

The Corporation expects to pay its external auditor, SGV & Co., an aggregate amount of P1,120,000.00 as professional fees for the audit of its annual financial statements for the year ended 31 December 2018. There was an increase in the audit fee due to increased volume of transactions as the Corporation is in the final stage of the developing a hotel-entertainment casino. Also, SGV is tasked to review the operational procedures for gaming operations, which the Audit Committee approved. No other fees were paid to said team of auditors for other services.

The engagement of an external auditor as well as the type of services to be rendered to the Corporation is being evaluated by the Audit Committee and recommended to the Board. Likewise, the payment of audit fees is being evaluated by the same committee prior to remittance.

ANNEX "G"**RIGHTS OF STOCKHOLDERS****1) Right to participate effectively in and vote in Annual/Special Stockholders' Meetings****(a) Quorum**

Quorum required to convene the Annual/Special Stockholders' Meeting as set forth in its By-laws.

Quorum Required	More than ½ of the subscribed capital stock
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(b) System Used to Approve Corporate Acts

System Used	Unanimous approval of all stockholders
Description	Matter for approval is presented to the stockholders and if there is no opposition, the matter is considered approved.

(c) Stockholders' Rights

None of the Stockholders' Rights concerning Annual/Special Stockholders' Meeting differ from those laid down in the Corporation Code.

Dividends

Declaration Date	Record Date	Payment Date
None		

(d) Stockholders' Participation

1. The Company follows the SEC Rules requiring a minimum of fifteen (15) business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up.

- i. Date of sending out notices:

- At least fifteen (15) business days prior to meeting based on SRC Rules or June 13, 2018

- ii. Date of the Annual/Special Stockholders' Meeting:

- June 28, 2018

2. Result of Annual/Special Stockholders' Meeting's Resolutions

Resolution	Approving	Dissenting	Abstaining
Election of New members of the Board of Directors and Committee members	<i>Unanimous</i>		
Approval of Declaration of Cash and Stock Dividends	<i>Unanimous</i>		
Increase in the Authorized Capital Stock from P1 Billion to P2 Billion	<i>Unanimous</i>		

3. Stockholders' Attendance

(i) Details of Attendance in the Annual/Special Stockholders' Meeting Held:

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	Alfonso R. Reyno, Jr. Teik Seng Cheah Alfonso V.G. Reyno III Bernadette V. Quiroz Gabriel A. Dee John Anthony B. Espiritu Cherrylyn G. Prado-Caoile Dennis Ryan C. Uy Jose Alvaro D. Rubio Victor P. Lazatin Laurito E. Serrano	June 28, 2018			100 %	
Special	Not applicable.					

(ii) Proxy Voting Policies

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

	Company's Policies
Execution and acceptance of proxies	Deadline pursuant to the Securities and Regulation Code
Notary	N/A
Submission of Proxy	At least forty eight hours (48) before the meeting – By-Laws
Several Proxies	None
Validity of Proxy	One (1) day before the meeting
Proxies executed abroad	None
Invalidated Proxy	None
Validation of Proxy	One (1) day before the meeting
Violation of Proxy	None

(iii) Sending of Notices

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

Policies	Procedure
At least fifteen (15) business days prior to Annual meeting	Sending CD- form via registered mail

(iv) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	433
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	May 28, 2018
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	May 28, 2018

State whether CD format or hard copies were distributed	CD Format
If yes, indicate whether requesting stockholders were provided hard copies	YES

(v) The Notice of Annual/Special Stockholders' Meeting includes the following:

Matters	Included or Not
Each resolution to be taken up deals with only one item.	Yes
Profiles of directors (<i>at least age, qualification, date of first appointment, experience, and directorships in other listed companies</i>) nominated for election/re-election.	No. Profiles of directors are indicated in the Definitive Statement given to the stockholders.
The auditors to be appointed or re-appointed.	No. The Company's external auditor is indicated in the Definitive Statement given to the stockholders.
An explanation of the dividend policy, if any dividend is to be declared.	No. No stock dividends have been issued.
The amount payable for final dividends.	No. No stock dividends have been issued.
Documents required for proxy vote.	No. No proxy solicitation is sent with the Notice.

2) Treatment of Minority Stockholders

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

Policies	Implementation
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Right to vote on all matters	Ratification/Confirmation of all acts of Board of Directors and Board Committees during the Annual Stockholders' Meeting
Pre-emptive right to all stock issuance of the corporation	The Articles of Incorporation denies pre-emptive rights to shareholders to all stock issuances of the Corporation.
Right to inspect corporate books and records	Shareholders are allowed to inspect corporate books and records including minutes of Board meetings and stock registries in accordance with the Corporation Code and shall be furnished with annual reports, including financial statements, without cost or restrictions.
Right to information	<p>The minority shareholders are granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.</p> <p>They have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management shall include such information.</p>
Right to dividends	They have the right to receive dividends.
Appraisal Right	They have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 82 of the Corporation Code of the Philippines.

- (b) The minority stockholders also have the right to nominate candidates for board of directors.

ANNEX "H"**MARKET FOR REGISTRANT'S COMMON EQUITY & RELATED STOCKHOLDER MATTERS****A. Market Price of Dividends or Registrant's Common Equity and Related Stockholders Matters.****1. Market Information**

MJC Investments common shares are listed in the Philippine Stock Exchange (PSE). The high and low market prices of MJC shares for each quarter of the past two calendar years, as reported by the PSE, are shown below:

Quarter Period	CY 2019		CY 2018		CY 2017	
	High	Low	High	Low	High	Low
1 st Quarter	3.39	2.57	3.69	3.25	3.97	3.00
2 nd Quarter	-	-	3.69	3.36	4.22	3.18
3 rd Quarter	-	-	3.73	3.32	3.60	2.99
4 th Quarter	-	-	3.50	2.56	4.01	3.15

Source: Philippine Stock Exchange, Inc.

As of April 12, 2019, the closing price of the Company's common shares in the PSE is at **Php 2.80**

2. Holders

As of December 31, 2018, there are approximately Four Hundred thirty-three (433) holders of the common shares of the Corporation. The corporation has no other class of shares.

3. Top Twenty (20) Stockholders as of December 31, 2018.

The list of the top twenty (20) stockholders of the Corporation as recorded by RCBC Stock Transfer, the Corporation's stock transfer agent, is as follows:

**Top Twenty Stockholders
As of 31 December 2018**

Name	No. of Shares	%	Title of Class
1. PCD NOMINEE CORPORATION (Filipino)	2,284,882,597	71.96%	Common

2. ONE WISTERIA LOOP HOLDINGS, INC.	63,892,500	2.01%	Common
3. MULBERRY ORCHID HOLDINGS INC.	61,285,000	1.93%	Common
4. EAST BONHAM HOLDINGS, INC.	61,285,000	1.93%	Common
5. BRANFORD BRIDGE HOLDINGS, INC.	61,285,000	1.93%	Common
6. FLYING HERON HOLDINGS, INC.	61,285,000	1.93%	Common
7. CHERRY GROVE HOLDINGS, INC.	61,285,000	1.93%	Common
8. ORCHARDSTAR HOLDINGS, INC.	61,285,000	1.93%	Common
9. BELLTOWER LAKES HOLDINGS, INC.	61,285,000	1.93%	Common
10. PURPLE CASSADY HOLDINGS, INC.	61,285,000	1.93%	Common
11. EVERDEEN SANDS HOLDINGS, INC.	53,471,250	1.68%	Common
12. BELGRAVE SQUARE HOLDINGS, INC.	53,471,250	1.68%	Common
13. SAVILLE ROW HOLDINGS, INC.	53,471,250	1.68%	Common
14. FAIRBOOKS HOLDING, INC.	53,471,250	1.68%	Common
15. MONTBRECIA PLACE HOLDINGS, INC.	53,471,250	1.68%	Common
16. PEPPERBERRY VISTA HOLDINGS, INC.	53,471,250	1.68%	Common
17. ALFONSO R. REYNO, JR.	11,737,704	0.37%	Common
18. PCD NOMINEE CORPORATION (Non-Filipino)	1,079,171	0.03%	Common
19. PALOS VERDES REALTY CORP.	446,300	0.01%	Common
20. ALFONSO R. REYNO, JR.	400,000	0.01%	Common

4. Dividends

No cash dividends were declared for the three (3) most recent fiscal years. The lack of sufficient retained earnings limits the ability of the Corporation to declare and pay dividends.

5. Recent sale of unregistered securities

Recent Sales of Unregistered Securities or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction

There are no other securities sold by the Company within the past three (3) years which were not registered under the Securities Regulation Code (SRC).

B. Description of Registrant's Securities

1. As of December 31, 2018, the authorized capital stock of the Corporation is Five Billion (P5,000,000,000) divided into Five Billion (5,000,000,000) common shares with a par value of One Peso (P1.00) each.

ANNEX "I"**INVESTORS RELATIONS**

The control environment of the Corporation consists of (a) the Board which ensures that the Corporation is properly and effectively managed and supervised; (b) a Management that actively manages and operates the Corporation in a sound and prudent manner; (c) the Organizational and Procedural controls supported by effective management information and risk management reporting systems; and (d) an Independent Audit mechanism to monitor the adequacy and effectiveness of the Corporation's governance, operations, and information systems, including the reliability and integrity of financial operations, the safeguarding of assets, and compliance with laws, rules, regulations and contracts.

The company also has an investor relations program including its communications strategy to promote effective communication with its stockholders, other stakeholders and the public in general.

With respect to the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets, those provided under the Corporation Code and the Securities and Regulation Commission shall govern. The independent directors were also appointed to evaluate the fairness of the transaction price.

ANNEX "I"**ROLE OF STAKEHOLDERS**

a. Disclose the company's policy and activities relative to the following:

	Policy	Activities
Customers' welfare	We treat everyone with respect and shall be guided by professionalism, integrity and good faith in transactions with and obligations to our Company's customers, suppliers, business partners, government regulators, creditors, creditors and employees.	None.
Supplier/contractor selection practice	We treat everyone with respect and shall be guided by professionalism, integrity and good faith in transactions with and obligations to our Company's customers, suppliers, business partners, government regulators, creditors, creditors and employees.	None.
Environmentally friendly value-chain	We consider the impact of our operations, projects and transactions on the environment and the communities we serve and ensure compliance with environmental, safety and health regulations and standards.	None.
Community interaction	We support socio-economic projects that improve the lives of the people within our community.	We conduct yearly free medical and dental services for the residents of the nearby communities to our race track in Carmona, Cavite.

Anti-corruption programmes and procedures	We restrict the solicitation or acceptance of gifts in any form from a third person or entity, directly or indirectly in consideration of any act, omission or transaction of our Company favorable to such third person or entity with existing or intended business dealings with our Company.	None.
Safeguarding creditors' rights	We treat everyone with respect and shall be guided by professionalism, integrity and good faith in transactions with and obligations to our Company's customers, suppliers, business partners, government regulators, creditors, creditors and employees.	None.

b. The Company also conducts its business and maintains its workplace in accordance with applicable health, safety and environmental laws.

i. Stated below is the data relating to health, safety and welfare of its employees.

<u>SICKNESS</u>	<u>AFFECTED EMPLOYEES</u>	<u>INTERVENTION</u>
COUGH AND COLDS	111	Medical Assistance (Check-up & Medicines)
HEADACHE	235	Medical Assistance (Check-up & Medicines)
BODY PAIN	99	Medical Assistance (Check-up & Medicines)
ABDOMINAL PAIN/HYPERACIDITY/DYSMENORRHEA	88	Medical Assistance (Check-up & Medicines)
LBM/DIARRHEA	64	Medical Assistance (Check-up & Medicines)
TOOTHACHE/SWOLLEN GUMS	57	Medical Assistance (Check-up & Medicines)

WOUND	55	Medical Assistance (Check-up & Medicines)
DIZZINESS/VERTIGO/LIGHT HEADEDNESS	54	Medical Assistance (Check-up & Medicines)
ALLERGY/RASHES	34	Medical Assistance (Check-up & Medicines)
FEVER/CHILLS	34	Medical Assistance (Check-up & Medicines)
FLU	32	Medical Assistance (Check-up & Medicines)
MINOR WOUND	14	Medical Assistance (Check-up & Medicines)
ELEVATED BLOOD PRESSURE	12	Medical Assistance (Check-up & Medicines)
CHEST PAIN	11	Medical Assistance (Check-up & Medicines)
BURN	5	Medical Assistance (Check-up & Medicines)

- ii. Stated below the company's training and development programs for its employees:

The Company recognizes that its human resources are its major assets hence, every officer and employee shall be given all the opportunities to enhance their skills and knowledge through sustained training and development programs conducted either in-house or by other companies and training institutions within or outside the country.

2017 OUTSIDE TRAININGS

Title	Attendee/S	Department / Division
PCO training (LLDA)	2	Facilities Management
PCO training (DENR)	2	Facilities Management
PCO renewal (LLDA)	1	Facilities Management
Vforum Vmware	2	IT Department
Nimble Storage Administration and Introduction	2	IT Department
Trend Micro Xgen End Point Security	2	IT Department
Cisco Connect 2017	2	IT Department
WCRY Ransomware X Workshop	1	IT Department
M tech RSA is your VPN Vulnerable	4	IT Department
Vmware & Veeam Technology Update	2	IT Department
LG Workshop of Content Management Solution (HITAP)	1	IT Department
Belden Ready for the Future (HITAP)	3	IT Department
Visible Cambium Networks (HITAP)	1	IT Department

PCCW Solutions (HITAP)	2	IT Department
Everything you need to know about DATA PRIVACY ACT	1	IT Department
Certification Program for Certified Human Resource Professionals	1	HR Department

2017 IN-HOUSE TRAININGS

Date	Title	No. of Participants
January 16, 2017	Safety Orientation	35
January 19, 2017	Safety Orientation	32
January 31, 2017	Safety Orientation	25
January 21, 2017	Basic Life Support-First Aid & Fire Safety Awareness	45
January 22, 2017	Basic Life Support-First Aid & Fire Safety Awareness	45
February 1, 2017	Safety Orientation	20
March 8, 2017	Safety and Security Awareness	10
March 14, 2017	Safety Orientation	25
March 23, 2017	Fire Drill	153
March 25, 2017	Safety Orientation	15
April 5, 2017	Basic Gun Safety Handling	70
April 8, 2017	Safety and Security Grooming Seminar	70
April 12, 2017	K9 Unit Drill and Training Exercise	5
April 19, 2017	Guide in Making a Report and Basic Investigation	70
May 3, 2017	Basic Kitchen Orientation	15
May 9, 2017	Basic Occupational Safety & Health Training (BOSH)	37
May 16, 2017	Basic Occupational Safety & Health Training (BOSH)	37
May 19, 2017	Bomb Threat Awareness Seminar	64
May 21, 2017	Marksmanship Proficiency Training	64
May 23, 2017	Basic Occupational Safety & Health Training (BOSH)	37
May 28, 2017	Marksmanship Proficiency Training	6
May 30, 2017	Basic Occupational Safety & Health Training (BOSH)	37
June 21, 2017	Basic Report Writing Training	60
June 22, 2017	Safety and Security Awareness Orientation	46
June 23, 2017	Safety and Security Awareness Orientation	44
June 27, 2017	Safety and Security Awareness Orientation	57
June 28, 2017	Safety and Security Awareness Orientation	17
July 3, 2017	Safety and Security Awareness Orientation	24

July 5, 2017	Fire Drill	123
July 17, 2017	Shake Drill	140
July 24, 2017	RED CROSS Blood Donation Drive	38
July 30, 2017	Safety and Security Awareness	59
August 2, 2017	Safety and Security Awareness	31
August 4, 2017	BLS-CPR and AED Training	26
August 5, 2017	BLS-CPR and AED Training	26
August 6, 2017	Safety and Security Awareness	14
August 8, 2017	Basic Occupational Safety & Health Training (BOSH)	30
August 12, 2017	WMRC Internal Security Marksmanship Proficiency Training	6
August 15, 2017	Basic Occupational Safety & Health Training (BOSH)	25
August 16, 2017	Safety and Security Awareness	64
August 16, 2017	Kitchen Safety Training	21
August 19, 2017	Fire Drill	154
August 21, 2017	Kitchen Safety Training	7
August 22, 2017	Safety and Security Awareness for PAGCOR Internal Security	20
August 22, 2017	Basic Occupational Safety & Health Training (BOSH)	35
August 23, 2017	Safety and Security Awareness	14
August 24, 2017	Safety and Security Awareness	29
August 25, 2017	Basic Fire and Safety Training	23
August 26, 2017	Basic Fire and Safety Training	24
August 27, 2017	Basic Fire and Safety Training	32
August 28, 2017	First Aid, Basic Life Support (BLS) and Automated External defibrillator Training	15
August 29, 2017	Basic Occupational Safety & Health Training (BOSH)	30
August 30, 2017	Marksmanship Proficiency Training	6
August 31, 2017	Shake Drill	156
September 1, 2017	Basic Fire and Safety Training	45
September 3, 2017	Safety and Security Awareness	70
September 11, 2017	First Aid, Basic Life Support (BLS) and Automated External defibrillator Training	32
September 12, 2017	First Aid, Basic Life Support (BLS) and Automated External defibrillator Training	22
September 13, 2017	First Aid, Basic Life Support (BLS) and Automated External defibrillator Training	30
September 14, 2017	SMART GUARD Training	30
September 15, 2017	SMART GUARD Training	28
September 18, 2017	Fire Drill	145
September 26, 2017	Shake Drill	153
October 7, 2017	Customer Service Training for Security Agents	28

October 8, 2017	Customer Service Training for Security Agents	26
October 10, 2017	Basic Gun Safety Handling	32
October 13, 2017	Fire Drill	140
October 15, 2017	Basic Gun Safety Handling	24
October 15, 2017	First Aid, Basic Life Support (BLS) and Automated External defibrillator Training	12
October 19, 2017	Shake Drill	134
October 20, 2017	X-Ray Operator Training	150
November 1, 2017	Fire Drill	145
November 6, 2017	Safety and Security Awareness Orientation	24
November 7, 2017	Safety and Security Awareness Orientation	25
November 19, 2017	Anti-Terrorism Seminar, Training and Orientation	33
November 22, 2017	Anti-Terrorism Seminar, Training and Orientation	28
November 25, 2017	Shake Drill	145
November 27, 2017	RED CROSS Blood Donation Drive	63
December 11, 2017	Fire Drill	134
December 8, 2017	MODUS OPERANDI Lecture and Orientation	30
December 9, 2017	MODUS OPERANDI Lecture and Orientation	26
December 23, 2017	Shake Drill	145

- c. Stated below are the company's procedures for handling complaints by employees concerning illegal (*including corruption*) and unethical behavior and to protect the latter from retaliation.

Due course must be followed in any grievance complaint. This is to ensure that all employees are covered and that MJCI policies, procedures, and regulations will be applied as intended and without discrimination.

The proper grievance procedure is as follows:

1. Discuss the matter with your supervisor;
2. If the supervisor does not arrive with a satisfactory solution, bring the matter to the department manager;
3. If there is still no satisfactory solution, the matter should be forwarded to the HRODD.

WHISTLE-BLOWING POLICY

In compliance with the Securities and Exchange Commission Memorandum Circular No. 19 series of 2016, otherwise known as the Code of Corporate Governance for Publicly-Listed Companies,¹ the Board of Directors of MJC Investments Corp. adopts the following Whistle-Blowing Policy subject to the provisions of the Corporate Governance Code and all applicable laws of the Philippines

I. PURPOSE

This policy aims for the optimal regulation of the procedure for reporting any perceived malpractice and possible serious violations of the company's code of conduct and/or Philippine laws. It also aims to ensure employees that raising such information is being encouraged by the company and that this will be dealt through a thorough investigation.

II. DISTRIBUTION

This policy shall apply to all employees and consultants of the Manila Jockey Club, Inc. as well as its stakeholders (i.e. clients, suppliers, contractors, service providers).

III. WHISTLE BLOWING DEFINED

Whistle Blowing is defined as raising any information that pertains to suspected malpractice, illegal acts or violation of the Code of Conduct within the company. Information raised are seen as vital for the proper regulation of the company operations, sustaining company's good reputation and upholding the management's commitment to the highest corporate governance standards. Employees, consultants and stakeholders may disclose the involvement of any employee, executive, and consultant of the company to any of the following:

- Major or gross violation of company rules and regulation and Code of Conduct
- Corruption, malversation, and deliberate mismanagement/abuse of company funds and resources
- Engaging in fraudulent acts
- Abuse of authority and possible conflict of interests
- Any other analogous acts

¹Hereinafter referred to as the "Code."

IV. ROLES AND RESPONSIBILITIES

Employees have the responsibility to uphold the highest standard of honesty and integrity by reporting witnessed/perceived malpractice, illegal acts, or violation of the Code of Conduct within the company. Employees have personal knowledge about the different circumstances and events happening inside the company that the management may overlook and this information should be reported to the management as soon as possible with as much details and evidences as they can provide in order to be dealt with immediately and thoroughly.

The management has the responsibility to provide avenues for employees, consultants and its stakeholders to be able to raise concerns with security and confidentiality and to ensure that this information will be taken seriously. Should the employees, consultants and stakeholders do report their concerns, the management has the responsibility to protect the whistle blower from possible reprisals, harassment or victimization when concerns have been raised in good faith. The management also has the responsibility to thoroughly investigate the raised concerns and to give feedback to the whistle blower regarding the status and the result of investigation.

The investigating committee, which members will be determined every time an allegation will be raised, will be responsible for the thorough investigation of the allegations and confirmation of the authenticity of evidences and information. They are also responsible for keeping the confidentiality of the identity of the whistle blower and the information gathered. Once the investigation process is completed, the committee has the responsibility to report the results to the management for proper action.

V. PROCEDURES AND GUIDELINES

a. Whistle-blowing

Employees who have observed or have personal knowledge about malpractices or violations must immediately inform the management of such acts in good faith.

Reports must be supported by factual evidences which will be of use in the investigation process and not just based on speculations.

Reports will be taken into account and will be dealt with utmost confidentiality and gravity.



b. Investigation Process

All information received will be thoroughly investigated as soon as possible by a committee specifically created for the purpose of investigating each disclosed observed violations/malpractice.

Shall the committee determine that the allegations are true based on the results of the investigation, the matter shall be referred to the management for proper disciplinary action procedure as indicated in the company handbook.

Shall the committee determine that the allegations are false, no action will be taken against the whistle-blower for the allegations has been raised in good faith. In the event that the allegation has been found to be raised in bad faith with the intent to defame the person or group of people, the whistle-blower will be subjected to proper disciplinary action procedure as indicated in the company handbook.

POLICY ON HEALTH AND SAFETY

I. PURPOSE AND SCOPE

- Show the commitment of MJC Investments Corporation ("MJIC") management and workers to health and safety;
- Minimize or eliminate the risks to the health, safety and welfare of all workers, contractors and visitors, Guest and anyone else who may be affected by our business operations ;
- Optimize an efficient working environment by making employees assured that they have a safe working environment;
- Ensure all work activities are done safely.

II. POLICY STATEMENT

It is the aim of the company to provide its employees with safe, healthy and pleasant working conditions. Comprehensive occupational health and safety programs are planned by the Health and Safety Committee to implement this policy.

III. DISTRIBUTION

We seek the co-operation of all workers, customers and other persons. We encourage suggestions for realizing our health and safety objectives to create a safe working environment with a zero accident rate.

This policy applies to all business operations and functions, including those situations where workers are required to work off-site.

IV. IMPLEMENTING GUIDELINES:

1. Obligations

Management is firmly committed to a policy enabling all work activities to be carried out safely with all possible measures taken to minimize or eliminate risks to the health, safety and welfare of workers, contractors, visitors, and anyone else who may be affected by our operations.

2. Responsibilities

Management:

Will provide and maintain the following:

- A health and safety policy;
- Support and direction necessary for the effective implementation of the health and safety program are provided and health safety policies, procedures and regulations are enforced.
- Meetings of management personnel are held for the purpose of reviewing health and safety activities and accident trends and determining necessary courses of corrective actions.
- A safe working environment;
- Workers are informed of any potential dangers to their health and safety is instructed in PPE and safe work practices.
- Employees are not permitted to work when their actions indicate that the work would endanger themselves or others.
- Safe systems of work;
- Substances in safe condition ;
- Facilities for the welfare of workers;
- New work areas and facilities should be inspected prior to commencement of work.
- Information, instruction, training and supervision that is reasonably necessary to ensure that each worker is safe from injury and risks to health ;
- Weekly inspections are undertaken, planned inspections of work areas, equipment, tools, work methods and practices are undertaken.
- Completed inspection reports are submitted to management as early as possible.
- Appropriate record and statistics are maintained and made available, where required, to inspectors, investigators or other regulatory personnel.
- A commitment to consult and co-operate with workers in all matters relating to health and safety in the workplace;
- All accident required to be investigated by the personnel, for the purpose of identifying the causes and necessary corrective actions.
- Accident investigation reports are reviewed and corrective action are implemented through directives of appropriate personnel.

- A commitment to continually improve our performance through effective safety management.

Workers:

Each worker has an obligation to:

- Comply with safe work practices, with the intent of avoiding injury to themselves and others and damage to plant and equipment;
- They are familiar with and comply with all applicable requirements of the company health and safety program.
- They do not operate machine/equipment unless they are authorized and trained to do so, all safeguard are in place and no one will be endangered.
- If they have physical injury which may affect the ability to work, he/she will inform his supervisor of the latter and do not work where the injury may create undue risk to themselves or anyone else.
- Do not engage in any improper activity or behavior such as fighting, practical jokes that may endanger themselves or others.
- Take reasonable care of the health and safety of themselves and others;
- Wear personal protective equipment and clothing where necessary;
- Wear appropriate PPE and maintain it in good working order.
- comply with any direction given by management for health and safety;
- not misuse or interfere with anything provided for health and safety;
- Report all accidents and incidents on the job immediately, no matter how trivial;
- Report all known or observed hazards to their supervisor or manager.
- They report all the unsafe conditions and practices to their immediate supervisor or designated personnel and take corrective, when possible, to eliminate such hazards.

Visitors/Contractors:

We expect visitors and contractors to:

Comply with health and safety policy of MJIC;

- Read and understand our company health and safety program and must be knowledgeable of and comply with all regulations.
- Enforce all established safety regulations and work methods, take disciplinary actions necessary to ensure compliance with the rules.
- Ensure that required safety equipment and PPE are provided and used for each job.

The following are the composition of the Health and Safety Committee and their corresponding functions:

Chairman	Provides the motivation force and resources for organizing and controlling activities within an organization. Management also evaluates employer's health and safety policies and procedures and responds in writing to safety officer's recommendations.
Secretary	Establish procedures for workplace inspections to identify safety and health hazards. After the evaluation, safety officer reviews corrective measures, make written recommendation to correct the hazard, and submit it to management for timely response.
Company Nurse	Coordinate to safety officer especially with health, accident issue and other forms of hazard. Responsible in providing first aid treatment, medicine to injured/ill workers. Keep records of accidents and sickness of all employees.
Members	Workers will comply with the health and safety policy. They must attend meetings about safety and contribute ideas, suggestions for improvement of safety is a huge contribution to establish safety in workplace.

Occupational health

Every employee is required to pass a pre – employment medical examination (Health Certificate / Work Permit) to ensure his medical and physical fitness for work. The Health Certificate shall be renewed annually. A health screen for all new employees, including the following, is completed prior to patient/resident contact or within five (5) days of hire, by the Employee Health Nurse and company physician. Screening will include.

- Detailed health history
- Weight, blood pressure
- Review of current medications list
- A normal or chest x – ray for previous positive PDD / PTB history

- Converters will be referred to the physician for follow – up
 - Review of immunization status
 - Test for Laboratory,
- All tests are reviewed by the Health Nurse and company physician and any abnormal findings are reported to the employee with instructions to consult his/her personal physician.
1. Orientation of new employees – MJIC:
 - a. New MJIC employees should first report to the safety officer before deployment to their assigned post.
 - b. The safety officer should require the new MJIC employee to sign a form acknowledging his/her health and safety orientation.
 2. Return from medical leave of Absence:
 - a. An employee returning from a leave of absence for health reasons, including maternity, or Worker's Compensation status, will be required to have clearance from his/her physician prior to starting work.
 - b. The Health Nurse will arrange Return to Work screens for all employees, following non – work related injuries and illness with absence.
 - c. Questionable medical issues are referred to the Company Physician.
 3. Short – term illness or injury:
 - a. An employee who is absent for personal injury or surgery must have private physician's note indicating that the employee has recovered and may return to work upon approval of company physician. If restrictions are imposed, a determination is made according to the working conditions of their job description. Each case is reviewed individually by the department managers and the Health nurse and/or company nurse to determine if light duty assignment is appropriate.
 4. Annual Health Evaluation will include:
 - a. An updated health history
 - b. Periodic blood pressure check of employees who are hypertensive
 - c. Review appropriate PPE (personal protective equipment) for job duties.

5. Record – Keeping and Clerical duties:
 - a. Documentation of employees reporting to the Employee Health Program for assessment is maintained and becomes a permanent part of the employee's Health record.
 - b. The Health Nurse maintains a record of individual employees.
6. All records pertaining to Employee Health are strictly confidential.
7. Ill or Injured Employee:
 - a. Employees who are injured while on duty immediately report the injury to their supervisor/manager are sent to the Walk-in Clinic for treatment of minor injuries, or to the Hospital for treatment of major injuries. Follow – up care of the injury is with a private physician. An Employee Injury Report form must be completed. A Worker's Compensation form must be completed if employee is treated by a private physician in the Hospital. The employee injury report is placed in the employee's health record.
8. Infectious/Contagious Condition:
 - a. An employee with a known or suspected infectious/contagious disease will be managed as recommended by MJCI physician and/or nurse.
9. All illness/injury should be reported to medical team.
 - a. An employee who incurred injury/sickness should make a report regarding the details of his/her sickness/injury to the medical office.

Safety Program

In line with the company's objective to make it a safe place to work in, a safety committee has been organized to develop and implement safety programs and to regularly check working conditions to ensure that they conform to safety standards. Protective gears such as gloves, masks, etc., are required. These protective gears must be properly worn at all times when working to ensure one's safety.

1. General Safety
 - All workers of MJC Investments Corporation are to follow the instruction of the Safety Officer and/or Management concerning safety matters.
 - Equipment/machine operators are responsible for the safe maintenance, operation, and required documentation of the machines and equipment that they

- are operating. This includes strict adherence to the established work practices and safety procedures for the machine or equipment.
- All injuries, no matter how minor, are to be reported immediately to the Safety officer and or company nurse and to the supervisor.
- No shorts or sleeveless shirts shall be worn unless approved by a supervisor. Workers must use the necessary PPE when required or when instructed to do so by the supervisor of the safety officer.

- 1.1 Smoking is strictly prohibited inside the office and building and all open spaces within MJIC owned premises except on designated smoking areas. Maintain good housekeeping. Keep work area clean and orderly. Keep equipment and materials in their proper places, especially when they are not in use.
- 1.2 Keep entrance, exits and walkways free from obstruction.
- 1.3 Engaging in disorderly conduct such as horseplay, scuffling or throwing things, which may result in injuring oneself or others, is prohibited.
- 1.4 Open and close doors gently. Do not stand within the path of door swing.
- 1.5 When reaching for things in overhead cabinets secure the chair or stool first.
- 1.6 Do not leave cabinets and drawers open to avoid bumps cuts.
- 1.7 Pile papers, boxers and other materials neatly to avoid toppling.
- 1.8 Paper cutter, scissors, paper clips and other sharp objects should be kept in suitable containers.
- 1.9 Secure all electrical cords, telephone and computer cables to avoid tripping.

2. Fire Prevention

- All places of employment shall be provided with the portable fire extinguishers for the protection against incipient fires.
 - Portable fire extinguishers shall be maintained in fully charged and operable condition and kept in their designated places at all time when not in use.
- 2.1 Keep fire extinguishers accessible and free from any obstruction.
 - Extinguishers shall be installed on hangers or brackets noticeably located in passable areas readily accessible in the event of fire.
 - Extinguishers shall be inspected monthly or at more frequent intervals when circumstances require ensuring they are in their designated places, to determine physical damages and that they are in good operable condition.
 - 2.2 Know the location of the fire extinguishers and how to use them properly.
 - 2.3 Activate the nearest fire alarm station for immediate evacuation.

- 2.4 Make sure that all electrical equipment are turned off and unplugged before leaving the office/working area. Only refrigerator and the fax machine shall be left running.
- 2.5 Take caution when plugging and unplugging electrical equipment and appliances.
- 2.6 Report any unsafe acts or condition (faulty wiring, defective equipment) immediately for proper action.
- 2.7 Follow the arrow direction in every path ways and wall which will lead to fire exits and safety walk ways in case of fire.
- 2.8 For fire emergency preparedness, the company is conducting fire drill activity every six months with all employees are require to participate and will log on to Fire Drill Attendance report (PI.R.113) for monitoring and documentation purposes.
3. Using portable fire extinguishers
- 3.1 Please refer to Emergency Preparedness and Response (PI.P.004) for further information.
4. Inspection and maintenance of portable fire extinguishers
- 4.1 Inspection and Maintenance of Dry chemical fire extinguisher to be done on monthly basis: Findings in inspection will be recorded using Fire Extinguishers Monitoring Checklist (PI.R.101).
- 4.2 Fire Extinguisher is in its proper location
- 4.3 There are no hindrances or things blocking the portable fire extinguisher
- 4.4 Plastic seal has not been broken.
- 4.5 Check the pressure gauge. Pointer must not be in recharge state.
- 4.6 No damage/clog on nozzle.
- 4.7 Hose is free of cracks and not damaged.
- 4.8 Tank has no leak.
- 4.9 If fire extinguisher appears to be in satisfactory condition, this is noted on the service tag.
- 4.10 If any problems are found, the inspector should provide corrective action immediately
- 4.11 Recharge immediately after use. Partial discharge may cause extinguisher to leak
- 4.12 Have it recharged with 10 lbs. (4.54 kg) ABC dry chemical and pressurized with nitrogen at 195 psi by an authorized distributor.
- 4.13 After use, immediately clean all surfaces contacted by dry chemical to avoid corrosion.

5. Monitoring of Smoke Alarms

- 5.1 Monitoring of smoke detectors to be done on a monthly basis: Findings in monitoring will be recorded to Monthly Monitoring for Smoke Alarm (PI.R.082).
- 5.2 Smoke alarm signal sounds when testing is operated.
- 5.3 Smoke alarms are securely fastened to the ceiling.
- 5.4 Check for the physical damage, grease and dust accumulations.
- 5.5 Check for the power or battery capacity.

6. Monitoring of emergency light

- 6.1 Monitoring of emergency light to be done on a monthly basis: Findings in monitoring will be recorded to Monthly Monitoring for Emergency Light (PI.R.079).
- 6.2 Press the button of emergency light or unplug the chord during testing. Hold it for at least 1 minute. If the emergency light does not illuminate, the unit should be replaced.
- 6.3 Emergency light are securely fastened to the wall.
- 6.4 Check for the physical damage.
- 6.5 Check for the battery power.

7. Monitoring of fire exit light

- 7.1 Monitoring of fire exit light to be done on a monthly basis: Findings in monitoring will be recorded to Monthly Monitoring for Fire Exit Light (PI.R.083).
- 7.2 Check for the illumination of the exit light. Blurry exit lights should be replaced and request for replacement.
- 7.3 Check for the backup – battery if it works.
- 7.4 Exit light are securely fastened to the wall.

8. Electrical Safety

- 8.1 Avoid overloading of outlets such as plugging of two or more electrical equipment and appliances.
- 8.2 Use cords or equipment that is rated for the level of ampere of watt that used in particular working activity.
- 8.3 Keep electrical stuff far away from water.
- 8.4 Un-plugged machine or appliances when not in use.
- 8.5 Keep distance to the area with high voltage precautions.

- 8.6 Inspect electrical tools, cords and wires for damage or wear prior to each use. Repair or replace damaged equipment immediately.
- 8.7 Always tape cords to walls or floors when necessary. Nails and staples can damage cords causing fire and shock hazards.
- 8.8 Use extension cords only to temporarily supply power to an area that does not have power outlet.

9. Machine Safety

- 9.1 Be sure that all machines have properly working guards and covers, and that they are always in place when machines are operating.
- 9.2 Do not try to oil, clean, adjust or repair machine while it is running.
- 9.3 Do not operate any machine unless authorized to do so by the quality controller or supervisor.
- 9.4 Always switch off the machine when leaving and not in use.
- 9.5 Check tools and machine before use to assure they are safe to use.
- 9.6 Do not talk to others when they are operating a machine. A distraction may lead to an injury.
- 9.7 Always keep the machine clean.

10. Personal Protective Equipment

Personal Protective Equipment (PPE) is safety clothing and equipment for particular circumstances or areas, where the nature of the work involved or the conditions. Under which people are working, requires it's wearing or use for their personal protection to minimize risk. Upon company rules, workers are required to use their PPE in respective working area. Circumstances in which PPE may be required to be worn included:

- 10.1 Head protection in the form of safety helmet. Maintenance officers like carpenter and electrician may possibly strike on the head by a falling object and there may be unintentional head contact with electrical hazards.
- 10.2 Eye protection shall be provided where a risk of eye injury exists. Mechanics are involved in hazards of flying particles in fabricating metals and machine parts. Wearing spectacles during the operation is one of the simple solutions to prevent eye hazard.
- 10.3 Respiratory protection in the form of mask. Workers in different departments who are exposed to dust and hazardous smell of fabric are required to wear their personal mask and must cover their nose and mouth.

10.4 Hand protection shall be provided where there is an identified hazard associated with a potential for hand injury. Cutters are more exposed in this hazard so they required wearing their respective chain mail gloves that will

protect their hands against sharp blade. Electrician also exposed in the hazard of electric shock so by wearing rubber gloves, the risk may possibly prevented.

10.5 Protective footwear shall be mandatory where the nature of the work exposes the employee to a medium to high risk injury of feet. All employees are required to wear close shoes before entering the production area that can protect the feet against sharp edges and falling objects.

11. Evaluation of Environment Stress/Hazards

Work Environmental Measurements (WEM) is the determination of environmental hazards and their hazardous effects on workers health through direct measurement of hazards.

Types of Environmental Monitoring:

- Personal Monitoring
- Area/Environmental Sampling
- Biological Monitoring

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF

MJC INVESTMENTS CORPORATION

Held at The President's Room, Manila Polo Club,
Makati City

On August 02, 2018, Thursday

PRESENT:

ALFONSO R. REYNO, JR.	Chairman of the Board
ALFONSO V.G. REYNO III (via teleconference)	Director
JOSE ALVARO D. RUBIO	Director
WALTER L. MACTAL	Director
DENNIS RYAN C. UY	Director
JOHN ANTHONY B. ESPIRITU (via teleconference)	Director
VICTOR P. LAZATIN	Independent Director

ALSO PRESENT:

FERDINAND A. DOMINGO	Corporate Secretary
LEMUEL M. SANTOS	Corporate Information Officer and Compliance Officer
JEFFREY RODRIGO L. EVORA	Chief Operating Officer
JOEMAR L. ONNAGAN	Director, Finance and Administration
DARWIN L. CUSI	Director, Gaming Compliance and Operations
TAYFUN BAYAR	Director, Gaming Marketing and Operations
COL. ANICETO VICENTE	Director, Safety and Security
RYAN RABE	Director, Hotel Operation

I. CALL TO ORDER / QUORUM

The Chairman of the Board, Atty. Alfonso R. Reyno, Jr., called the meeting to order at or about 12:30 PM and presided over the same. The Chairman then directed the Corporate Secretary, Atty. Ferdinand A. Domingo, to record the minutes of the meeting.

The Corporate Secretary certified that notices of the meeting were sent to all the directors of the Corporation and that a majority of the directors being present, there was a quorum to transact business.

II. APPROVAL OF THE MINUTES OF THE ORGANIZATIONAL MEETING OF THE BOARD OF DIRECTORS HELD ON JUNE 28, 2018

Upon motion duly made and seconded, the Board approved the minutes of the meeting of the Board of Directors held on June 28, 2018.

III. RESIGNATION OF DIRECTOR; APPOINTMENT OF DIRECTOR

The Chairman informed the Board that Atty. Cherrylyn G. Prado-Caoile tendered her resignation on 31 July 2018 as director of the Corporation effective on said date. The Board

accepted with regrets Atty. Caoile's resignation and expressed appreciation for the services rendered by her.

To fill the vacant position in the Board, Mr. Jeffrey Rodrigo L. Evora ("Evora") was then nominated as director of the Corporation. The Board, appointed Mr. Evora as director to serve the remaining term of Atty. Caoile.

IV. APPOINTMENT OF PRESIDENT

The Chairman informed the Board of the need to appoint a President as said position was not filled during the organizational meeting of the Board on June 28, 2018.

Mr. Evora, the Corporation's current Chief Operating Officer, was then nominated as President of the Corporation.

Mr. Evora holds a degree of Associate in Science, Hotel Operations, at the University of Hawaii Maui College and finished the degree of Bachelor of Science major in Business Administration from the University of Phoenix. He has over twenty (20) years of experience in local, regional, Native American, riverboat, and mega-resort casino operations both in the U.S. and the Philippines. He served in different capacities for well-known hotels and casinos in the U.S., such as Income Auditor, Casino Analyst, and Director of Casino Marketing and Asian communications. He was previously the Director of Gaming Marketing at Resorts World Manila prior to joining the Corporation.

Upon motion duly made and seconded, Mr. Evora was unanimously appointed as President of the Corporation effective August 2, 2018.

V. PRESIDENT'S REPORT AS OF JULY 2018 PERFORMANCE

The newly-elected President, Mr. Evora, reported that it has been a record month for Winford Hotel and Casino as it earned Php11 Million in revenues, which was Php1 Million higher than the previous month. The occupancy rate of the hotel reached 79.5%, whereas the casino reached Php4.3 Million in revenues per day. Thus, the Corporation is a step closer to achieving an actual break-even.

Gaming Operations

For the gaming operations, Mr. Evora noted the significant increase in the number of slot machines yielding a better performance for the month of July. Even though the casino operations increased by 2.3% in average daily drop, the hold has actually increased by 8.4% for its daily win. It was also reported that the casino marketing program has helped acquire a considerable number of customers.

Financial Performance

Mr. Evora further reported that the losses for the past fiscal year amounted to approximately Php800 Million. However, by the end of July this year, the revenues increased by 55%. Further, the Corporation was able to minimize the losses by up to 10%. The Management is hoping to further minimize said losses through the reduction of the interest expenses with the stock rights payments. With the infusion of additional equity through the stock rights offering, the casino will be able to increase the number of slot machines, which increase was already approved by PAGCOR.

VI. STOCK RIGHTS OFFERING

The Corporate Secretary reported that the Corporation received proposals from RCBC Capital and Amalgamated Investments Corporation to act as underwriter for the proposed Stock Rights Offering ("SRO").

Both proponents have competence and track record as underwriters.

The proposed underwriting fee of RCBC Capital is Php23 Million to Php 24 Million. On the other hand, AIB initially proposed the amount of Php10 Million, which amount was eventually reduced to Php5 Million after negotiations.

Discussion then ensued on the underwriter to be engaged by the Corporation.

Upon motion duly made and seconded, the Board approved the following resolutions:

Resolution No. II-1 Series of 2018

"RESOLVED, AS IT IS HEREBY RESOLVED, that in connection with the Stock Rights Offering, the Corporation hereby authorizes the Chairman of the Board, Atty. Alfonso R. Reyno, Jr., and the President of the Corporation, Mr. Jeffrey Rodrigo L. Evora, to engage the services of an underwriter, under such terms and conditions as management may deem fair and reasonable and in the best interest of the Corporation;

RESOLVER, FINALLY, that said officers of the Corporation be, as they are hereby, authorized to sign, execute and deliver, for and on behalf of the Corporation, any and all contracts, agreements and documents in connection with the engagement of an underwriter for the SRO, and to do any and all acts, necessary and proper, to give the foregoing resolutions force and effect."

VII. OTHER MATTERS

Upon motion duly made and seconded, the Board Approved the Following Resolutions:

Resolution No. II-2 Series of 2018

"RESOLVED, as it is hereby RESOLVED that the Corporation shall open and maintain an account with CHEVRON PHILIPPINES INC located at the 6F 6750 Bldg., Ayala Ave., Makati City, Philippines 1226."

"RESOLVED FURTHER, that **FERDINAND A. DOMINGO & JEFFREY RODRIGO L. EVORA** be authorized to execute trade, to transact and to sign for and in behalf of the said Corporation the pertinent papers or documents regarding the said transaction."

NAME

1.FERDINAND A. DOMINGO

2.JEFFREY RODRIGO L. EVORA

"RESOLVED, FINALLY, that the authority herein granted shall continue to be in full force and effect unless revoked by the Corporation by subsequent resolution."

Resolution No. II-3
Series of 2018

"RESOLVED, that effective immediately, the authorized signatories for the Corporation bank accounts in (i) Banco De Oro -SM San Lazaro, Felix Huertas Cor. A.H. Lacson St. sta. Cruz, Manila, (ii) Banco De Oro-Strata, Strata 100 bldg. F. Ortigas Jr. Rd. Ortigas Center, Pasig City, (iii) CTBC Bank-Sucat, Unit N & O Columbia Air Freight Complex, Ninoy Aquino Ave. Paranaque City, (iv) Maybank Philippines, Inc-Mckinley Hill, 1030 Campus Ave. Corner Park Ave., Mckinley Hill Tower Center, Fort Bonifacio, Taguig City, (v) Metrobank & Trust Company, Ground Floor Wynsum Bldg., Emerald Avenue, Ortigas Pasig City, and (vi) Union Bank of the Philippines-Vertex One, Ground Floor Space 12 & 13, Vertex One, Bldg. San Lazaro, Manila; shall be as follows

- I. Cheques, Wire Transfer and Withdrawal Slips in any amount, one signatory from each group as indicated hereinafter:

Group A

1. JEFFREY L. EVORA
2. JOSE ALVARO D. RUBIO
3. DENNIS C. UY
4. ANGELICA TAN-VEGA

Group B

1. ALFONSO R. REYNO JR
2. ALFONSO G. REYNO III
3. FERDINAND A. DOMINGO

- II. Purchase Order, Term Sheet, Contract and Barter Agreement up to P 2, 000,000.00, the signature of Jeff Evora and signature of any of the following:

NAME

1. ALFONSO R. REYNO JR
2. ALFONSO G. REYNO III
3. FERDINAND A. DOMINGO
4. BALLIGI Z. FONACIER

- III. Purchase Order, Term Sheet, Contract and Barter Agreement, P 2, 000, 000.00 and above, one signature of JEFF EVORA and signature of anyone of the following:

NAME

1. ALFONSO R. REYNO JR
2. ALFONSO G. REYNO III
3. FERDINAND A. DOMINGO

IV. Online Banking Approval for Payroll, Government Remittances (SSS, Philhealth, HDMF and BIR) for any amount, one signature from each group as indicated hereinafter:

Group A

1. JEFFREY L. EVORA
2. JOSE ALVARO D. RUBIO
3. DENNIS C. UY
4. ANGELICA TAN-VEGA

Group B

1. ALFONSO R. REYNO JR
2. ALFONSO G. REYNO III
3. FERDINAND A. DOMINGO
4. BALLIGI Z. FONACIER

V. Employee Job Offer and Job Contract for any amount, Rank and File up to Senior Manager Level the signature of JEFF EVORA and signature of anyone of the following:

NAME

1. ALFONSO R. REYNO JR
2. ALFONSO G. REYNO III
3. FERDINAND A. DOMINGO

VI. Employee Job Offer and Job Contract for any amount, Rank and File up to Assistant Vice President to Vice President Level, the signature of JEFF EVORA and signature of anyone of the following:

NAME

1. ALFONSO R. REYNO JR
2. ALFONSO G. REYNO III
3. FERDINAND A. DOMINGO

"RESOLVED, FINALLY, that all board resolutions inconsistent herewith are amended accordingly; and that this resolution shall remain valid until the same is expressly revoked by the Board of directors of the Corporation."

VIII. ADJOURNMENT

There being no other matters to discuss, and upon motion duly made and seconded.

CERTIFIED CORRECT:

Ferdinand A. Domingo
FERDINAND A. DOMINGO
Corporate Secretary

ATTESTED BY:

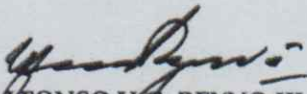
Alfonso R. Reyno, Jr.
ALFONSO R. REYNO, JR.
Chairman of the Board

MINUTES READ AND APPROVED:

CHAI SEO-MENG
Director

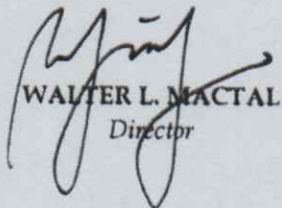


JOSE ALVARO D. RUBIO
Director



ALFONSO V.G. REYNO III
Director


JOHN ANTHONY B. ESPIRITU
Director



WALTER L. MACTAL
Director

GABRIEL A. DEE
Director

DENNIS RYAN C. UY
Director



VICTOR P. LAZATIN
Independent Director

LAURITO E. SERRANO
Independent Director

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C

**CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER**

1. Date of Report (Date of earliest event reported)
Mar 28, 2019
2. SEC Identification Number
10020
3. BIR Tax Identification No.
000-596-509-000
4. Exact name of issuer as specified in its charter
MJC INVESTMENTS CORPORATION
5. Province, country or other jurisdiction of incorporation
PHILIPPINES
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
Winford Hotel and Casino, MJC Drive, Sta. Cruz, Manila
Postal Code
1014
8. Issuer's telephone number, including area code
(632) 632-7373
9. Former name or former address, if changed since last report
N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON	3,174,405,821
11. Indicate the item numbers reported herein
Item 9 - Other Events

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.

MJC Investments Corporation

MJIC

PSE Disclosure Form 7-1 - Notice of Annual or Special Stockholders' Meeting

*References: SRC Rule 17 (SEC Form 17-C) and
Sections 7 and 4.4 of the Revised Disclosure Rules*

Subject of the Disclosure

Setting the Annual Stockholders' Meeting and Record Date

Background/Description of the Disclosure

At its meeting held on 28 March 2019, the Board approved the date, time, venue and agenda of the Company's Annual Stockholders' Meeting ("ASM") and the Record Date for determining the shareholders entitled to notice of and vote at the ASM.

Type of Meeting

☒ Annual

☐ Special

Date of Approval by
Board of Directors Mar 28, 2019

Date of Stockholders'
Meeting Jun 27, 2019

Time 2:00 P.M.

Venue Winford Hotel and Casino, MJC Drive, Sta. Cruz, Manila

Record Date May 2, 2019

Agenda

1. Call to Order
2. Proof of notice and determination of existence of quorum
3. Approval of the Minutes of the previous Annual Stockholders' Meeting held on 28 June 2018
4. President's Report
5. Approval of the Annual Report and the Audited Financial Statements of the Company for the period ended 31 December 2018
6. Approval and ratification of all acts of the Board of Directors, Board Committees and Management since the last Annual Stockholders' Meeting
7. Election of the members of the Board of Directors
8. Appointment of External Auditor
9. Other Matters
10. Adjournment

Inclusive Dates of Closing of Stock Transfer Books

Start Date	N/A
End Date	N/A

Other Relevant Information

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Filed on behalf by:

Name

Lemuel Santos

Designation

Corporate Information Officer