

# COVER SHEET

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S.E.C. Registration Number

M	A	N	I	L	A	B	R	O	A	D	C	A	S	T	I	N	G	C	O	M	P	A	N	Y		
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(Company's Full Name)

M	B	C		B	L	D	G	.	,	V	I	C	E	N	T	E	S	O	T	T	O	S	T	.		
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C	C	P		C	O	M	P	L	E	X	,	P	A	S	A	Y	C	I	T	Y						
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(Business address: No. Street City / Town / Province)

Mr. Eduardo G. Cordova
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Contact Person

8832-6149
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Company Telephone Number

1	2	3	1
Month		Day	
Fiscal Year			

I	A	C	G	R
FORM TYPE				

Month		Day	
Annual Meeting			

Secondary License Type, If Applicable

Dept. Requiring this Doc.		

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings	
Domestic	Foreign

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To be accomplished by SEC Personnel concerned

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CASHIER



May 29, 2023

**PHILIPPINE STOCK EXCHANGE**

6<sup>TH</sup> Floor, PSE Tower,  
28<sup>th</sup> Street corner 5<sup>th</sup> Avenue  
Bonifacio Global City, Taguig City

**ATTENTION: Ms. Alexandra D. Tom Wong**  
*Officer-in-Charge - Disclosure Department*

Gentlemen:

We are submitting herewith the Integrated Annual Corporate Governance Report (I-ACGR) of Manila Broadcasting Company for the year ended December 31, 2022.

We trust you will find everything in order.

Thank you.

Very Truly Yours,



EDUARDO G. CORDOVA  
SVP - CFO



May 29, 2023

**SECURITIES AND EXCHANGE COMMISSION**

The SEC Headquarters,  
7907 Makati Avenue, Salcedo Village,  
Barangay Bel-Air, Makati City

**ATTENTION: Ms. Rachel Esther J. Gumtang-Remalante**  
*Director – Corporate Governance and Finance Department*

Gentlemen:

We are submitting herewith the Integrated Annual Corporate Governance Report (I-ACGR) of Manila Broadcasting Company for the year ended December 31, 2022.

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Thank you.

Very Truly Yours,



EDUARDO G. CORDOVA  
SVP - CFO



## SEC FORM – I-ACGR

### INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended: **December 31, 2022**
2. SEC Identification Number: **1674**
3. BIR Tax Identification Number: **000-479-027-000**
4. Exact name of issuer as specified in its charter: **MANILA BROADCASTING COMPANY**
5. Province, country or other jurisdiction of incorporation or organization: **METRO MANILA**
6.  (SEC Use Only) Industry classification code
7. Address of principal office / Postal Code: **MBC Bldg., Vicente Sotto St., CCP Complex, Pasay City, 1307**
8. Issuer's telephone number, including area code: **(02) 8832-6149 to 50**
9. Former name, former address, and former fiscal year, if changed since last report: **Not applicable**

**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**

	<b>COMPLIANT / NON-COMPLIANT</b>	<b>ADDITIONAL INFORMATION</b>	<b>EXPLANATION</b>
<b>The Board's Governance Responsibilities</b>			
<p><b>Principle 1:</b> 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.</p>			
<b>Recommendation 1.1</b>			
<p>1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.</p>	COMPLIANT	<p>➤ <b>Federico J. Elizalde</b> has been serving as Director/Chairman of the Company since 1985. He is also currently serving as Chairman/President of Philippine International Corporation (Philcite), Star Parks Corporation (Star City), Elizalde Holdings Corporation and Northern Capiz Agro-Industrial Development Corporation (Norcaic). He has also served as past Chairman/President of Asean Section, Asean-U.S. Business Council, Philippine Chamber of Commerce &amp; Industry, Confederation of Asian Chambers of Commerce &amp; Industry, etc. In 2005, he was appointed as member of the Boracay Eminent Persons Group. He graduated Magna Cum Laude from Harvard University with a degree of Bachelor of Arts Major in Social Relations.</p> <p>➤ <b>Ruperto S. Nicdao, Jr.</b> is the current President of the Company. He has been serving as Director of the Company since 1988. He is also serving as Director of Philippine International Corporation, Star Parks Corporation, Elizalde Holdings Corporation and Cultural Center of the Philippines. He is the Chairman of KBP and a member of the Financial Executives Institute of the Philippines, Philippine Chamber of Commerce and Industry and the Makati Business Club. He obtained his Master's in Business Administration from Asian Institute of Management and his AB-Honors (Major in Math), Magna Cum Laude, from De La Salle College.</p> <p>➤ <b>Eduardo G. Cordova</b> has been a Director of the company since 1988</p>	
<p>1. Board has an appropriate mix of competence and expertise.</p>	COMPLIANT		
<p>2. 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.</p>	COMPLIANT		

		<p>and is currently the SVPCFO of the Company and Elizalde Holdings Corporation. He is also Chairman/President of our affiliate Philippine Broadcasting Corporation. He is a member of the Philippine Institute of 13 Certified Public Accountants (PICPA). He is a Certified Public Accountant and obtained his Master's in Business Administration, with honors, from University of St. La Salle and his bachelor's degree in business administration from University of the East.</p> <ul style="list-style-type: none"> <li>➤ <b>Julio Manuel P. Macuja</b> is EVP-Treasurer of the Company which he joined in 1999. He is the Chief Information Officer registered with the Philippine Stock Exchange. He is also a Director of Elizalde Holdings Corporation and Star Parks Corporation. He was formerly part of the Treasury Group of the Bank of the Philippine Islands. Prior to this he was Acting Director of the Ateneo Center for Social Policy and Public Affairs and part time faculty member of the Economics Department, Ateneo de Manila University, where he finished his Bachelor of Arts Degree in Economics (Honors) in 1985. He completed his post-graduate studies as a scholar of the British Council at the Victoria University of Manchester in 1989, obtaining a degree of Master of Arts in Economic and Social Studies (Major in Development Studies).</li> <li>➤ <b>Juan Manuel Elizalde</b> is currently the SVP- Operations and has been connected with the Company since 1994 in various capacities. He is also President of our affiliate Cebu Broadcasting Company. He holds an AB Mass Communication degree from Menlo College, Menlo Park, California, U.S.A.</li> <li>➤ <b>Marvel K. Tan</b> is one of the nominees nominated as independent director. He is currently the Internal Auditor of the Kapisanan ng mga Brodkaster ng Pilipinas (KBP) and Financial Consultant of Ads Standard Council, Inc. (ASC). He worked with the Elizalde Group of Companies in various capacities from 1974 to 2002. His last position with the Elizalde Group was Vice President-Finance of Manila Broadcasting Company (MBC) and its subsidiaries in 1984-1994;</li> </ul>	
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		<p>1996-2002. In 2003-2005, he was the Chief Finance Officer of ABS-CBN Foundation, Inc. (AFI). He is a Certified Public Accountant and obtained his Bachelor in Business Administration (BBA) degree, cum laude, from Silliman University in Dumaguete City, Negros Oriental in 1964; enrolled in the Management Development Program (MDP) of Asian Institute of Management, Makati City, in 1978 and the Corporate Financial Management Program of the University of Michigan administered in Hongkong in 1993.</p> <ul style="list-style-type: none"> <li>➤ <b>George T. Goduco</b> has been an independent director of MBC since 2003. At present, he is the President of Healthlab Inc., a full-service diagnostics laboratory and medical examination facility. He was EVP/COO of Star Parks Corporation in 2000- 2002. He also served as Vice-President and Treasurer of the FJE Group of Companies in 1997-2000 and its Director for Corporate Planning in 1995 – 1997. He also served as Account Officer in Solidbank and Boston Bank from 1988-1991. He holds an MBA from the University of Bridgeport, Connecticut and a Bachelor of Science in Economics from the University of the Philippines.</li> <li>➤ <b>Rudolph Steve E. Jularbal</b> is currently the Corporate Secretary. He is also the VP of the Legal and Regulatory Compliance Group and concurrently the Station Manager of the company's AM flagship station, DZRH- Manila. Atty. Jularbal first joined the company in 1986. He resigned in 1999, did a short stint as VP-Legal of Nextel Communications, Phil. from 1999 to 2001 before he went into private practice and was a retained external counsel of the company up to 2011. He was re-engaged on a full-time basis in 2011. Atty. Jularbal obtained his Bachelor's Degree in Law from the University of the Philippines, Diliman, QC in 1979 and was admitted to the Bar the following year. He also holds degrees in Management and Marketing obtained from Saint Louis University in Baguio City.</li> <li>➤ <b>Robert Pua</b> is currently the VP-Controller as well as the Compliance</li> </ul>	
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		<p>Officer. He has been connected with the company since 1990 in various capacities. He is President of our affiliate Pacific Broadcasting System, Inc. and a Director of Cebu Broadcasting Company and Philippine Broadcasting Company. He is a Certified Public Accountant and a member of the Philippine Institute of Certified Public Accountants. He obtained his Bachelor's Degree in Business Administration, Major in Accounting, from the University of the East, Manila and Master's Degree in Business Administration from the De la Salle University, Manila.</p> <p><u>Trainings of directors:</u></p> <ul style="list-style-type: none"> <li>• Corporate Governance – 4 hours</li> </ul> <p>The Company conducts learning sessions towards improving audit consciousness and compliance awareness throughout the organization.</p> <p>Corporate Governance Seminar Attendance 2022:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p> <p>Please see '<b>Annex B</b>' of this report for the qualification standards of directors.</p>	
<b>Recommendation 1.2</b>			
<p>1. Board is composed of a majority of non-executive directors.</p>	<p>NON-COMPLIANT</p>	<p><b><i>Directors and the type of their directorships:</i></b></p> <ul style="list-style-type: none"> <li>➤ <b>FEDERICO J. ELIZALDE</b> – <i>Executive Director</i></li> <li>➤ <b>RUPERTO S. NICDAO, JR.</b> – <i>Executive Director</i></li> <li>➤ <b>EDUARDO G. CORDOVA</b> – <i>Executive Director</i></li> <li>➤ <b>JULIO MANUEL P. MACUJA</b> – <i>Executive Director</i></li> <li>➤ <b>RUDOLPH STEVE E. JULARBAL</b> – <i>Executive Director</i></li> </ul>	<p>The membership of the Board is 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 possess such qualifications and stature</p>



		<ul style="list-style-type: none"> <li>➤ <b>JUAN MANUEL ELIZALDE</b> – <i>Executive Director</i></li> <li>➤ <b>ROBERT PUA</b> – <i>Executive Director</i></li> <li>➤ <b>GEORGE T. GODUCO</b> – <i>Non-Executive Director / Independent Director</i></li> <li>➤ <b>MARVEL K. TAN</b> - <i>Non-Executive Director / Independent Director</i></li> </ul>	<p>that enables them to effectively participate in the deliberations of the Board.</p> <p>To show full commitment to the company, the directors 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.</p> <p>As stated in Section 22 of the Revised Corporation Code of the Philippines:</p> <p>“The board shall have independent directors constituting at least twenty percent (20%).”</p>
<b>Recommendation 1.3</b>			
<p>1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.</p>	<p>COMPLIANT</p>	<p>It is the policy of the Company to provide its Board of Directors with appropriate orientation and training in support of its oversight role of the Company.</p> <p style="padding-left: 40px;">A. <u>General Orientation for New Directors</u></p> <p>New directors must be comprehensively oriented in order to be effective members of the Board and help lead the Company towards the right direction. A general orientation shall commence immediately after the</p>	

		<p>election or appointment of a director and before his/her first board meeting. The orientation includes a meeting with the Chairman of the Board, the Chief Executive Officer and other members of senior management, a tour of the Company premises and facilities and structured orientation sessions.</p> <p>B. <u>Corporate Governance Orientation</u></p> <p>In addition to the general orientation, all new directors shall attend the Corporate Governance orientation from an accredited training institution. The Company shall immediately disclose to the SEC and PSE the Corporate Governance orientation attended by such directors.</p> <p>C. <u>Continuing Education</u></p> <p>It is the policy of the Company that its directors must keep abreast with the latest developments in business, corporate governance principles, best practices, laws and regulations affecting the Company's business and other relevant matters that help them function effectively in the Board and in their respective committees, while directing the Company towards achieving its mission, vision and goals.</p> <p>Revised Manual on Corporate Governance, Page 5:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	
2. Company has an orientation program for first time directors.	COMPLIANT	In compliance with SEC Memorandum Circular No. 19, Series of 2016, the Company held its Corporate Governance Webinar for its directors and key officers on December 16, 2022 from 1:00 p.m. to 5:00 p.m. via Zoom. The webinar was conducted by Risks, Opportunities, Assessment and Management (ROAM) Inc..	
3. Company has relevant annual continuing training for all directors.	COMPLIANT	<p><u>Topics covered:</u></p> <ol style="list-style-type: none"> <li>I. Corporate Governance Regulatory Updates</li> <li>II. 2022 Global and Regional Trends in Corporate Governance</li> <li>III. RP Economic Statistics</li> <li>IV. Economic Challenges of the Incoming National</li> </ol>	

		Administration V. Personal Liability of Directors and Officers Under the Law  Corporate Governance Seminar Attendance: <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a>																																	
<b>Recommendation 1.4</b>																																			
1. Board has a policy on board diversity.	COMPLIANT	<p>The company is committed to ensuring that there is a diverse and inclusive workforce who is capable of fulfilling the employees', customers' and shareholders' expectations while building a sustainable future for the business.</p> <p>The company's board of directors should include diversity in age, skills, competence, and knowledge to promote different perspectives and ideas, avoid groupthink, and ensure optimal decision-making.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #d9e1f2;">NAME OF DIRECTOR</th> <th style="background-color: #d9e1f2;">AGE AS OF DECEMBER 31, 2022</th> <th style="background-color: #d9e1f2;">POSITION</th> <th style="background-color: #d9e1f2;">TERM AS DIRECTOR</th> </tr> </thead> <tbody> <tr> <td>Federico J. Elizalde</td> <td style="text-align: center;">82</td> <td>Chairman / CEO</td> <td>1985 up to the present</td> </tr> <tr> <td>Ruperto S. Nicdao, Jr.</td> <td style="text-align: center;">67</td> <td>President</td> <td>1988 up to the present</td> </tr> <tr> <td>Eduardo G. Cordova</td> <td style="text-align: center;">74</td> <td>SVP-CFO</td> <td>1988 up to the present</td> </tr> <tr> <td>Julio Manuel P. Macuja</td> <td style="text-align: center;">59</td> <td>EVP-Treasury</td> <td>1999 up to the present</td> </tr> <tr> <td>Juan Manuel Elizalde</td> <td style="text-align: center;">53</td> <td>SVP-Operations</td> <td>1995 up to the present</td> </tr> <tr> <td>Robert Pua</td> <td style="text-align: center;">57</td> <td>VP-Controller and Compliance Officer</td> <td>2016 up to the present</td> </tr> <tr> <td>Rudolph Steve E.</td> <td style="text-align: center;">67</td> <td>VP-Legal and</td> <td>2011 up to the</td> </tr> </tbody> </table>	NAME OF DIRECTOR	AGE AS OF DECEMBER 31, 2022	POSITION	TERM AS DIRECTOR	Federico J. Elizalde	82	Chairman / CEO	1985 up to the present	Ruperto S. Nicdao, Jr.	67	President	1988 up to the present	Eduardo G. Cordova	74	SVP-CFO	1988 up to the present	Julio Manuel P. Macuja	59	EVP-Treasury	1999 up to the present	Juan Manuel Elizalde	53	SVP-Operations	1995 up to the present	Robert Pua	57	VP-Controller and Compliance Officer	2016 up to the present	Rudolph Steve E.	67	VP-Legal and	2011 up to the	
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Jularbal		Regulatory Compliance; Corporate Secretary	present												
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George T. Goduco	57	Independent Director; Chairman – Corporate Governance Committee	2003 up to the present												
<b>Optional: Recommendation 1.4</b>															
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.		<p><b>Provide information on or link/reference to a document containing the company's policy and measurable objectives for implementing board diversity.</b></p> <p><b>Provide link or reference to a progress report in achieving its objectives.</b></p>													
<b>Recommendation 1.5</b>															
1. Board is assisted by a Corporate Secretary.	COMPLIANT	<b>Atty. Rudolph Steve E. Jularbal</b> is currently the Company's Corporate Secretary. He obtained his Bachelor's Degree in Law from the University of													

2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT	the Philippines – Diliman in 1979 and was admitted to the Bar the following year. He also holds degrees in Management and Marketing which he obtained from Saint Louis University in Baguio City.	
3. Corporate Secretary is not a member of the Board of Directors.	NON-COMPLIANT	<p>The Corporate Secretary shall annually attend a training on corporate governance and is primarily responsible to the corporation and its shareholders, and not to the Chairman or President of the Company.</p> <p>The Corporate Secretary, who should be a Filipino citizen and a resident of the Philippines and has the following duties and responsibilities:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• 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;</li> <li>• To give, or cause to be given, all notices required by law or by the By-laws of the Corporation, as well as notices required of meeting of the Directors and of the stockholders.</li> <li>• 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;</li> <li>• Works fairly and objectivity 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;</li> </ul>	<p>The Corporate Secretary, a resident and citizen of the Philippines, is a separate individual from the Compliance Officer.</p> <p>Although a member of the Board of Directors, the Corporate Secretary acts in good faith with due diligence and care, and in the best interest of the company and all shareholders. He possesses appropriate administrative, interpersonal and legal skills, and is aware of the laws, rules and regulations necessary in the performance of his duties or responsibilities and have at least an understanding of basic financial and accounting matters.</p> <p>Furthermore, Section 24 of the Revised Corporation Code of the Philippines provides:</p>

		<ul style="list-style-type: none"> <li>• Advises on the establishment of board committees and their terms of reference;</li> <li>• 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;</li> <li>• To keep records indicating the details required by law with respect to the certificates of stock of the Corporation, including ledgers and stock transfers and the date of each issuance thereafter;</li> <li>• To full and countersign all certificates of stocks issued and to make the corresponding annotations on the margins or stubs of such certificates upon their issuance;</li> <li>• To take note of all stock transfers and cancellations, and keep in alphabetical or numerical order all certificates of stocks so transferred as well as the names of stockholders, their addresses and the number of shares owned by each;</li> <li>• To prepare the various reports, statements, certifications and other documents which may from time to time be required by government rules and regulations, except those required to be made by the Treasurer, and to submit the same to the proper government agencies;</li> <li>• To keep and affix the corporate seal to all paper and documents requiring a seal, and to attest by his signature all corporate documents;</li> <li>• To pass upon the form and the manner of voting of proxies, the acceptability and validity of their issuance and use, and to decide all</li> </ul>	<p>"SECTION 24. <i>Corporate Officers.</i> - Immediately after their election, the directors of a corporation must formally organize and elect: (a) a president, who must be a director; (b) a treasurer, who must be a resident; (c) a secretary, who must be a citizen and resident of the Philippines; and (d) such other officers as may be provided in the by-laws. If the corporation is vested with public interest, the board shall also elect a compliance officer. The same person may hold two (2) or more positions concurrently, except that no one shall act as president and secretary or as president and treasurer at the same time, unless otherwise allowed in this Code."</p>
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		<p>contests and returns relating to the election of the members of the Board of Directors.</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• Performs required administrative functions;</li> <li>• Oversees the drafting of the by-laws and ensures that they conform with regulatory requirements; and</li> <li>• Performs such other duties and responsibilities as may be provided by the SEC.</li> </ul> <p>The Secretary's role includes assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes.</p>	
4. Corporate Secretary attends training/s on corporate governance.	COMPLIANT	<p>In compliance with SEC Memorandum Circular No. 19, Series of 2016, the Company held its Corporate Governance Webinar for its directors and key officers on December 16, 2022 from 1:00 p.m. to 5:00 p.m. via Zoom. The webinar was conducted by Risks, Opportunities, Assessment and Management (ROAM) Inc..</p> <p><u>Topics covered:</u></p> <ol style="list-style-type: none"> <li>I. Corporate Governance Regulatory Updates</li> <li>II. 2022 Global and Regional Trends in Corporate Governance</li> <li>III. RP Economic Statistics</li> <li>IV. Economic Challenges of the Incoming National Administration</li> <li>V. Personal Liability of Directors and Officers Under the Law</li> </ol>	

		Corporate Governance Seminar Attendance: <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a>	
<b>Optional: Recommendation 1.5</b>			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.		<b><i>Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting.</i></b>	
<b>Recommendation 1.6</b>			
1. Board is assisted by a Compliance Officer.	COMPLIANT	<p><b>Mr. Robert Pua</b> is currently the VP-Controller as well as the Compliance Officer of the Company. He is also a member of the Board of Directors. He has been connected with the company since 1990 in various capacities. He is President of our affiliate Pacific Broadcasting System, Inc and a Director of Cebu Broadcasting Company and Philippine Broadcasting Company. He is a Certified Public Accountant and a member of the Philippine Institute of Certified Public Accountants. He obtained his Bachelor's Degree in Business Administration, Major in Accounting, from the University of the East, Manila and Master's Degree in Business Administration from the De la Salle University, Manila.</p> <p>The Compliance Officer shall annually attend a training on corporate governance and primarily be liable to the corporation and its shareholders, and not to the Chairman or President of the company.</p> <p>He has, among others, the following duties and responsibilities:</p> <ul style="list-style-type: none"> <li>• Ensures proper onboarding of new directors (i.e. orientation on the company's business, charter, articles of incorporation and by-laws, among others);</li> <li>• Monitors, reviews, evaluates and ensures the compliance by the corporation, its officers and directors with relevant laws, this Code, rules and regulations and all governance issuances of regulatory</li> </ul>	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	COMPLIANT		
3. Compliance Officer is not a member of the board.	NON-COMPLIANT		



		<p>agencies;</p> <ul style="list-style-type: none"> <li>• Reports the matter to the Board if violations are found and recommends the imposition of appropriate disciplinary action;</li> <li>• Ensures the integrity and accuracy of all documentary submissions to regulators;</li> <li>• Appears before the SEC when summoned in relation to compliance with this Code;</li> <li>• Collaborates with other departments to properly address compliance issues, which may be subject to investigation;</li> <li>• Identifies possible areas of compliance issues and works towards the resolution of the same;</li> <li>• Ensures the attendance of board members and key officers to relevant trainings; and;</li> <li>• Performs such other duties and responsibilities as may be provided by the SEC.</li> </ul>	<p>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.</p> <p>Furthermore, Section 24 of the Revised Corporation Code of the Philippines provides:</p> <p><i>"SECTION 24. Corporate Officers.</i> - Immediately after their election, the directors of a corporation must formally organize and elect: (a) a president, who must be a director; (b) a treasurer, who must be a resident; (c) a secretary, who must be a citizen and resident of the Philippines; and (d) such other officers as may be provided in the by-laws. If the corporation is vested with public interest, the board shall also elect a compliance officer. The same person may hold two (2) or more positions concurrently, except that no one shall act as president</p>
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			and secretary or as president and treasurer at the same time, unless otherwise allowed in this Code.”
4. Compliance Officer attends training/s on corporate governance.	COMPLIANT	<p>In compliance with SEC Memorandum Circular No. 19, Series of 2016, the Company held its Corporate Governance Webinar for its directors and key officers on December 16, 2022 from 1:00 p.m. to 5:00 p.m. via Zoom. The webinar was conducted by Risks, Opportunities, Assessment and Management (ROAM) Inc..</p> <p><u>Topics covered:</u></p> <ol style="list-style-type: none"> <li>I. Corporate Governance Regulatory Updates</li> <li>II. 2022 Global and Regional Trends in Corporate Governance</li> <li>III. RP Economic Statistics</li> <li>IV. Economic Challenges of the Incoming National Administration</li> <li>V. Personal Liability of Directors and Officers Under the Law</li> </ol> <p>Corporate Governance Seminar Attendance:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	
<b>Principle 2:</b> 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.			
<b>Recommendation 2.1</b>			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	COMPLIANT	<p>Please see <b>‘Annex B’</b> of this report.</p> <p>Revised Manual on Corporate Governance:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p> <p>Minutes of Annual Stockholders’ Meeting:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	

<b>Recommendation 2.2</b>			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	COMPLIANT	The Company's objectives and strategies are reviewed by the Board of Directors annually.	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	COMPLIANT		
<b>Supplement to Recommendation 2.2</b>			
1. Board has a clearly defined and updated vision, mission and core values.	COMPLIANT	<p>Vision, mission and core values:  <a href="https://manilabroadcasting.com.ph/aboutus/">https://manilabroadcasting.com.ph/aboutus/</a></p> <p>The Board of Directors review the Company's mission and vision statement every five years. The Company's vision must outline what the organization wants to be, or how it wants the world in which it operates to be while the Company's mission defines the fundamental purpose of the organization or enterprise, succinctly describing why it exists and what it does to achieve the vision.</p>	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	COMPLIANT	<p>Revised Manual on Corporate Governance:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	

Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	COMPLIANT	<p><b>Mr. Federico J. Elizalde</b> has been serving as Director/Chairman of the Company since 1985. He is also currently serving as Chairman/President of Philippine International Corporation (Philcite), Star Parks Corporation (Star City), Elizalde Holdings Corporation and Northern Capiz Agro-Industrial Development Corporation (Norcaic). He has also served as past Chairman/President of Asean Section, Asean-U.S. Business Council, Philippine Chamber of Commerce &amp; Industry, Confederation of Asian Chambers of Commerce &amp; Industry, etc. In 2005. He was appointed as Member of the Boracay Eminent Persons Group. He graduated Magna Cum Laude from Harvard University with a degree of Bachelor of Arts Major in Social Relations.</p>	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	<p>The Company's Board and the Corporate Governance Committee are responsible for overall guidance and direction on succession planning and leadership development of the President/CEO and Senior Management. The Chairman of the Board and of the Corporate Governance Committee, the President and CEO, working closely with the Head of Human Resources, drives the strategy for succession planning, leadership development and talent management. The Head of Human Resources develops and implements the processes and the tools to ensure robust pools of succession candidates for the President/CEO, Senior Management, Middle Management and First Line Management.</p> <p>A key feature of the Company's succession planning process are the talent reviews that are conducted at Senior Management and at various levels in the organization. Currently, this has resulted in a pool of internal candidates, in addition to external candidates who, may be identified, and subject to the realization of their development plans, could become management committee level within the next 5 years.</p> <p>The talent reviews have been a hallmark of our process and is a best-in-class talent management practice. The process deliverables are individual</p>	
2. Board adopts a policy on the retirement for directors and key officers.	COMPLIANT		

		<p>development plans designed to bring the key talent to their next level of growth and performance and/or realize their career aspirations. It involves authentic and extensive management discussions and deliberations by leaders of these key talents on their aspirations, strengths, development needs and challenges.</p> <p>All of these have created a development mindset throughout the organization and have established a strong and robust leadership pipeline that will adequately meet the Company's senior leadership requirements well into the future.</p>	
<b>Recommendation 2.5</b>			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	COMPLIANT	<p><b>REMUNERATION PROCESS</b></p> <p>A. FIXED REMUNERATION</p> <p>The fixed remuneration is established taking into account the level of responsibility and the professional path of the director/officer within the Company. A wage benchmark is established for each function, reflecting its value to the organization. This wage benchmark is defined by analyzing its equivalences and fairness inside the Company and on the market outside. The fixed remuneration is continuously reviewed by the Corporate Governance Committee against comparable positions.</p> <p>B. VARIABLE REMUNERATION</p> <p>The variable component of the total remuneration package is performance related. It is consisting of short and long-term components. Performance targets and conditions are derived from our strategy and annual business plans. The targets are assigned prior to the relevant year and assessment of realization is conducted after year-end by the Senior Management.</p> <p>C. PER DIEM ALLOWANCE</p>	
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		

		<p>Per diem allowance are fixed rate payments made on a per day basis for attendance at meetings of the Board of Directors.</p> <p>D. BONUS</p> <p>Members of the Board have the right to participate in a bonus scheme based on the Company's performance for the year. The bonus is paid out annually after adoption of the annual report for the relevant financial year. The bonus pay-out level is defined by a weighted target achievement and is capped at a certain percentage of the fixed salary with the target and maximum pay-out levels set at a certain percentage of the annual base salary respectively. No pay-out will be made if the target is not met at the defined minimum acceptable performance level. The bonus scheme is based on target achievement of a number of parameters, including financial key performance indicators like EBIT and cash flows as well as may targets approved by the Board of Directors.</p> <p>E. OTHERS (PERSONAL BENEFITS)</p> <p>Members of the Board have access to a number of work-related benefits, including car incentive, communication allowance, medical, dental and optical allowances, other work-related newspapers and magazine subscriptions. The extent of individual benefits is negotiated with each individual member of the Board and reflects local market practice.</p> <p><b>REMUNERATION POLICY AND STRUCTURE FOR EXECUTIVE AND NON-EXECUTIVE DIRECTORS</b></p> <p>1. Executive Directors</p> <p><b>Remuneration Policy:</b></p>	
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		<p>Follows Company's salary structure and benefit package and Board-approved rate/package.</p> <p><b>Structure of Compensation Packages:</b> Compensation/salary package is composed of basic monthly pay plus number of bonus months as approved by the Board.</p> <p><b>How compensation is calculated:</b> Compensation is computed based on gross monthly income of employees less government mandated deduction like SSS, Philhealth, Pag-ibig and withholding taxes.</p> <p>2. Non-Executive Directors</p> <p><b>Remuneration Policy:</b> Per diem on BOD Meetings</p>	
<b>Optional: Recommendation 2.5</b>			
1. Board approves the remuneration of senior executives.		<b>Provide proof of board approval.</b>	
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.		<b>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.</b>	
<b>Recommendation 2.6</b>			
1. Board has a formal and transparent board	COMPLIANT	Revised Manual on Corporate Governance, page 11: <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a>	

nomination and election policy.				
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT	<p>The Company's shareholders, including those in the minority, are given the opportunity to exercise their basic rights with respect to the following:</p> <ul style="list-style-type: none"> <li>a. Changes and/or amendments to the Company's Articles of Incorporation and By-laws;</li> <li>b. Sale, purchase and/or transfer of a significant share of corporate assets, that may result in a change in the character of the company;</li> <li>c. Authorization for the issuance of additional shares of the company;</li> <li>d. Opportunity to nominate candidates for membership in the Board of Directors;</li> <li>e. Opportunity to elect individually the members of the Board of Directors. Non-controlling shareholders are also encouraged to exercise their right to vote and elect the Company's Board of Directors; and</li> <li>f. Appointment of the external auditor</li> </ul>		
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		<p>For the further protection of the rights of the minority shareholders, the following are also provided:</p> <ul style="list-style-type: none"> <li>a. Pre-emptive right</li> <li>b. Right of inspection</li> <li>c. Appraisal right</li> <li>d. Right to dividends</li> </ul>	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT		<p>Please see '<b>Annex B</b>' of this report for the selection of a director.</p>	
<b>Optional: Recommendation 2.6</b>				
1. Company uses professional search firms or other external sources		<b><i>Identify the professional search firm used or other external sources of candidates.</i></b>		



of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.			
<b>Recommendation 2.7</b>			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	<p>Company Policies – Related Party Transaction Policy:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p> <p><b>Identify transactions that were approved pursuant to the policy.</b></p> <p>There are no material related party transactions for the year 2022.</p>	
1. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT		
2. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	COMPLIANT		
<b>Supplement to Recommendation 2.7</b>			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such	COMPLIANT	<p><b>Provide information on a materiality threshold for RPT disclosure and approval, if any.</b></p> <p>Company Policies – Related Party Transaction Policy:</p>	

<p>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><a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	
<p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p>	<p>COMPLIANT</p>	<p>Related Party Transaction Policy (page 6):  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	
<p><b>Recommendation 2.8</b></p>			
<p>1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk</p>	<p>COMPLIANT</p>	<p>Please see Annex B of this report for the Board's policy and responsibility for approving the selection of management.</p> <p>The Board of Directors convened and re- appointed the following officers to serve for the year 2022-2023:</p> <p style="margin-left: 40px;">a. <b>FEDERICO J. ELIZALDE</b> – <i>Chairman of the Board</i></p>	

<p>Officer, Chief Compliance Officer and Chief Audit Executive).</p>		<ul style="list-style-type: none"> <li>b. <b>RUPERTO S. NICDAO, JR.</b> – <i>President</i></li> <li>c. <b>EDUARDO G. CORDOVA</b> – <i>SVP-Chief Finance Officer</i></li> <li>d. <b>JULIO MANUEL P. MACUJA</b> – <i>EVP-Treasurer</i></li> <li>e. <b>JUAN MANUEL ELIZALDE</b> – <i>SVP-Operations</i></li> <li>f. <b>RUDOLPH STEVE E. JULARBAL</b> – <i>VP-Legal and Corporate Secretary</i></li> <li>g. <b>ROBERT PUA</b> – <i>VP-Controller and Compliance Officer</i></li> <li>h. <b>IRVING A. LISONDRA</b> – <i>VP-Creative Services</i></li> <li>i. <b>ELLEN C. FULLIDO</b> – <i>VP-Human Resources</i></li> <li>j. <b>CARLEA C. MIRANDA</b> – <i>VP-Treasury</i></li> <li>k. <b>JONATHAN E. DECENA</b> – <i>VP-Radyo Natin</i></li> <li>l. <b>ELPIDIO M. MACALMA</b> – <i>VP-DZRH</i></li> <li>m. <b>JOSE MA. T. PARROCO</b> – <i>VP-Sales</i></li> <li>n. <b>WILFREDO H. ESPINOSA</b> – <i>VP-FM Programming</i></li> <li>o. <b>ALBERT M. SONGCO</b> – <i>AVP-Central Engineering</i></li> <li>p. <b>JOHNNY FAITH QUILING</b> – <i>AVP-FM Operations</i></li> <li>q. <b>VINCE JAEN</b> – <i>AVP-Integrated Media</i></li> </ul>	
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<p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>COMPLIANT</p>	<p>Revised Manual on Corporate Governance, page 25:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	
<b>Recommendation 2.9</b>			
<p>1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.</p>	<p>COMPLIANT</p>	<p>Revised Manual on Corporate Governance, page 25:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	
<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>		

<b>Recommendation 2.10</b>			
1. Board oversees that an appropriate internal control system is in place.	COMPLIANT	<p><b><i>Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system.</i></b></p> <p>Revised Manual on Corporate Governance, page 15, 28:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	COMPLIANT		
3. Board approves the Internal Audit Charter.	COMPLIANT		<p>Revised Manual on Corporate Governance, page 16:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p> <p>Board Committees - Audit Committee Charter:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>
<b>Recommendation 2.11</b>			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	COMPLIANT	<p>Risk Management:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the	COMPLIANT		

effectiveness of risk management strategies.			
<b>Recommendation 2.12</b>			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	COMPLIANT	Corporate Governance - Board Committees: <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a>	
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		
<b>Additional Recommendation to Principle 2</b>			
1. Board has a clear insider trading policy.	COMPLIANT	Company Policies – Insider Trading Policy: <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a>	
<b>Optional: Principle 2</b>			
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.		<b>Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any.</b>	
2. Company discloses the types of decision requiring board of directors' approval.		<b>Indicate the types of decision requiring board of directors' approval and where there are disclosed.</b>	

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

**Recommendation 3.1**

<p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	<p>COMPLIANT</p>	<p>Board Committees shall be set up to support the effective performance of the Board’s functions. The members of the Committees shall be appointed by the Board annually. All established committees shall be required to have Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting processes, resources and other relevant information. The Charters shall provide the standards for evaluating the performance of the Committees. Committee Charters shall be publicly available and posted on the Company website.</p> <ul style="list-style-type: none"> <li>• Audit Committee</li> <li>• Corporate Governance Committee</li> <li>• Board Risk Oversight Committee</li> <li>• Related Party Transaction Committee</li> </ul> <p>Manual on Corporate Governance, page 16:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	
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**Recommendation 3.2**

<p>1. Board establishes an Audit Committee to enhance its oversight capability over the company’s financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.</p>	<p>COMPLIANT</p>	<p><b><i>Provide information or link/reference to a document containing information on the Audit Committee, including its functions.</i></b></p> <p>Manual on Corporate Governance, page 16:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p> <p><b><i>Indicate if it is the Audit Committee’s responsibility to recommend the appointment and removal of the company’s external auditor.</i></b></p> <p>The Audit Committee recommends to the Board the appointment, reappointment, removal and fees of the External Auditor, duly accredited</p>	
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		by the Commission, who undertakes an independent audit of the corporation, and provides an objective assurance on the manner by which the financial statements should be prepared and presented to the stockholders.	
2. Audit Committee is composed of at least three appropriately qualified non- executive directors, the majority of whom, including the Chairman is independent.	NON-COMPLIANT	<p><b>Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.</b></p> <p>AUDIT COMMITTEE:</p> <p>1. <b>Marvel K. Tan</b> (Independent Director) – Chairman</p> <p>He is currently the Internal Auditor of the Kapisanan ng mga Brodkaster ng Pilipinas (KBP) and Financial Consultant of Ads Standard Council, Inc. (ASC). He is a Certified Public Accountant and obtained his Bachelor in Business Administration (BBA) degree, cum laude, from Siliman University in Dumaguete City, Negros Oriental in 1964; enrolled in the Management Development Program (MDP) of Asian Institute of Management, Makati City in 1978 and the Corporate Financial Management Program of the University of Michigan administered in Hongkong in 1993.</p> <p>2. <b>Julio Manuel P. Macuja</b> (Executive Director) – Member</p> <p>He is currently the EVP-Treasurer of the Company. He joined in 1999. He is the Chief Information Officer registered with the Philippine Stock Exchange. He is also a Director of Elizalde Holdings Corporation and Star Parks Corporation. He graduated from Ateneo de Manila University, where he finished his Bachelor of Arts Degree in Economics (Honors) in 1985. He completed his post-graduate studies as a scholar of the British Council at the Victoria University of Manchester in 1989, obtaining a degree of Masters of Arts in Economics and Social Studies (Major in Development Studies).</p>	<p>The Company has 2 non-executive / independent directors out of 9 directors in compliance with Section 38 of the Securities Regulation Code.</p> <p>Furthermore, Section 22 of the Revised Corporation Code of the Philippines provides:</p> <p><i>"SECTION 22. The Board of Directors or Trustees of a Corporation; Qualification and Term. - The board shall have independent directors constituting at least twenty percent (20%) of such board.</i></p> <p>The Chairman of the Audit Committee is Mr. Marvel K. Tan, a non- executive / independent director.</p>



		<p>3. <b>Eduardo G. Cordova</b> (Executive Director) – Member</p> <p>He is currently the SVP-CFO of the Company and Elizalde Holdings Corporation. He is also Chairman/President of our affiliate Philippine Broadcasting Corporation. He is a member of the Philippine Institute of Certified Public Accountants (PICPA). He is a Certified Public Accountant and obtained his Master’s in Business Administration, with honors, from University of St. La Salle and his Bachelor’s degree in business administration from University of the East.</p>	
<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	<p>COMPLIANT</p>	<p><b><i>Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.</i></b></p> <p>AUDIT COMMITTEE:</p> <p>1. <b>Marvel K. Tan</b> (Independent Director) – Chairman</p> <p>He is currently the Internal Auditor of the Kapisanan ng mga Brodkaster ng Pilipinas (KBP) and Financial Consultant of Ads Standard Council, Inc. (ASC). He is a Certified Public Accountant and obtained his Bachelor in Business Administration (BBA) degree, cum laude, from Siliman University in Dumaguete City, Negros Oriental in 1964; enrolled in the Management Development Program (MDP) of Asian Institute of Management, Makati City in 1978 and the Corporate Financial Management Program of the University of Michigan administered in Hongkong in 1993.</p> <p>2. <b>Julio Manuel P. Macuja</b> (Executive Director) – Member</p> <p>He is currently the EVP-Treasurer of the Company. He joined in 1999. He is the Chief Information Officer registered with the Philippine Stock Exchange. He is also a Director of Elizalde Holdings Corporation and Star Parks Corporation. He graduated from Ateneo de Manila</p>	

		<p>University, where he finished his Bachelor of Arts Degree in Economics (Honors) in 1985. He completed his post-graduate studies as a scholar of the British Council at the Victoria University of Manchester in 1989, obtaining a degree of Masters of Arts in Economics and Social Studies (Major in Development Studies).</p> <p>3. <b>Eduardo G. Cordova</b> (Executive Director) – Member</p> <p>He is currently the SVP-CFO of the Company and Elizalde Holdings Corporation. He is also Chairman/President of our affiliate Philippine Broadcasting Corporation. He is a member of the Philippine Institute of Certified Public Accountants (PICPA). He is a Certified Public Accountant and obtained his Master's in Business Administration, with honors, from University of St. La Salle and his bachelor's degree in business administration from University of the East.</p>	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	COMPLIANT	The Chairman of the Audit Committee is separate from the Chairman of the Board. The Chairman of the Audit Committee is Mr. Marvel K. Tan whereas the Chairman of the Board is Mr. Federico J. Elizalde.	
<b>Supplement to Recommendation 3.2</b>			
1. Audit Committee approves all non-audit services conducted by the external auditor.	COMPLIANT	<p><b><i>Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.</i></b></p> <p>Manual on Corporate Governance, page 16:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	
2. Audit Committee conducts regular meetings and dialogues with the external audit	NON-COMPLIANT	<p><b><i>Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.</i></b></p>	The Audit Committee conducts regular meetings and dialogues with the external audit team with

team without anyone from management present.			the presence of VP-Controller and Compliance Officer as a resource person.
<b>Optional: Recommendation 3.2</b>			
1. Audit Committee meet at least four times during the year.		<b>Indicate the number of Audit Committee meetings during the year and provide proof.</b>	
2. Audit Committee approves the appointment and removal of the internal auditor.		<b>Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.</b>	
<b>Recommendation 3.3</b>			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	COMPLIANT	<p><b>Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions.</b></p> <p>Manual on Corporate Governance, page 20:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p> <p><b>Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.</b></p> <p>The Corporate Governance Committee recommended the list of stockholders eligible for being elected as Board of Directors for the fiscal year 2022-2023. The Committee reviewed the qualifications of all nominees to the Board of Directors, taking into consideration the relevant requirements of the Securities and Exchange Commission relative to qualifications and disqualifications of both regular and independent director nominees.</p>	

<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	<p>NON-COMPLIANT</p>	<p><b>CORPORATE GOVERNANCE COMMITTEE:</b></p> <p>1. <b>GEORGE T. GODUCO</b> (Independent Director) – Chairman</p> <p>He has been an independent director of MBC since 2003. At present, he is the President of Healthlab Inc., a full-service diagnostics laboratory and medical examination facility. He was EVP/COO of Star Parks Corporation in 2000- 2002. He also served as Vice-President and Treasurer of the FJE Group of Companies in 1997-2000 and its Director for Corporate Planning in 1995 – 1997. He also served as Account Officer in Solidbank and Boston Bank from 1988-1991. He holds an MBA from the University of Bridgeport, Connecticut and a Bachelor of Science in Economics from the University of the Philippines.</p> <p>2. <b>FEDERICO J. ELIZALDE</b> (Executive Director) – Member</p> <p>He has been serving as Director of the Company since 1985. He is also currently serving as Chairman/President of Philippine International Corporation (Philcite), Star Parks Corporation (Star City), Elizalde Holdings Corporation and Northern Capiz Agro- Industrial Development Corporation (Norcaic). He has also served as past Chairman/President of Asean Section, Asean-U.S. Business Council, Philippine Chamber of Commerce &amp; Industry, Confederation of Asian Chambers of Commerce &amp; Industry, etc. In 2005, he was appointed as member of the Boracay Eminent Persons Group. He graduated Magna Cum Laude from Harvard University with a degree of Bachelor of Arts Major in Social Relations.</p> <p>3. <b>RUPERTO S. NICDAO JR.</b> (Executive Director) – Member</p> <p>He has been serving as Director of the Company since 1988. He is also serving as Director of Philippine International Corporation, Star Parks Corporation, Elizalde Holdings Corporation and Cultural Center of the Philippines. He is the Chairman of KBP and a member of the Financial</p>	<p>The Company has 2 non-executive / independent directors out of 9 directors in compliance with Section 38 of the Securities Regulation Code.</p> <p>Furthermore, Section 22 of the Revised Corporation Code of the Philippines provides:</p> <p><i>“SECTION 22. The Board of Directors or Trustees of a Corporation; Qualification and Term. - The board shall have independent directors constituting at least twenty percent (20%) of such board.</i></p> <p>The Chairman of the Corporate Governance Committee is Mr. George T. Goduco, a non-executive/independent director.</p>
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		Executives Institute of the Philippines, Philippine Chamber of Commerce and Industry and the Makati Business Club. He obtained his Master's in Business Administration from Asian Institute of Management and his AB-Honors (Major in Math), Magna Cum Laude, from De La Salle College.	
3. Chairman of the Corporate Governance Committee is an independent director.	COMPLIANT	The Chairman of the Corporate Governance Committee is Mr. George T. Goduco, an independent director. He has been an independent director of MBC since 2003. At present, he is the President of Healthlab Inc., a full-service diagnostics laboratory and medical examination facility. He was EVP/COO of Star Parks Corporation in 2000- 2002. He also served as Vice-President and Treasurer of the FJE Group of Companies in 1997-2000 and its Director for Corporate Planning in 1995 – 1997. He also served as Account Officer in Solidbank and Boston Bank from 1988-1991. He holds an MBA from the University of Bridgeport, Connecticut and a Bachelor of Science in Economics from the University of the Philippines.	
<b>Optional: Recommendation 3.3</b>			
1. Corporate Governance Committee meet at least twice during the year.		<b>Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.</b>	
<b>Recommendation 3.4</b>			
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	Manual on Corporate Governance, page 18: <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a>	As stated in the company's Manual on Corporate Governance, in case the company does not have a separate Board Risk Oversight Committee, the Audit Committee shall perform the duties and responsibilities of the said committee.
2. BROC is composed of at least three members, the majority of whom should	NON-COMPLIANT	<b>Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship.</b>	The Company has 2 non-executive / independent directors out of 9 directors

<p>be independent directors, including the Chairman.</p>		<p>AUDIT COMMITTEE:</p> <ol style="list-style-type: none"> <li>1. <b>Marvel K. Tan</b> (Independent Director) – Chairman  He is currently the Internal Auditor of the Kapisanan ng mga Brodkaster ng Pilipinas (KBP) and Financial Consultant of Ads Standard Council, Inc. (ASC). He is a Certified Public Accountant and obtained his Bachelor in Business Administration (BBA) degree, cum laude, from Siliman University in Dumaguete City, Negros Oriental in 1964; enrolled in the Management Development Program (MDP) of Asian Institute of Management, Makati City in 1978 and the Corporate Financial Management Program of the University of Michigan administered in Hongkong in 1993.</li> <li>2. <b>Julio Manuel P. Macuja</b> (Executive Director) – Member  He is currently the EVP-Treasurer of the Company. He joined in 1999. He is the Chief Information Officer registered with the Philippine Stock Exchange. He is also a Director of Elizalde Holdings Corporation and Star Parks Corporation. He graduated from Ateneo de Manila University, where he finished his Bachelor of Arts Degree in Economics (Honors) in 1985. He completed his post-graduate studies as a scholar of the British Council at the Victoria University of Manchester in 1989, obtaining a degree of Masters of Arts in Economics and Social Studies (Major in Development Studies).</li> <li>3. <b>Eduardo G. Cordova</b> (Executive Director) – Member  He is currently the SVP-CFO of the Company and Elizalde Holdings Corporation. He is also Chairman/President of our affiliate Philippine Broadcasting Corporation. He is a member of the Philippine Institute of Certified Public Accountants (PICPA). He is a Certified Public Accountant</li> </ol>	<p>in compliance with Section 38 of the Securities Regulation Code.</p> <p>Furthermore, Section 22 of the Revised Corporation Code of the Philippines provides:</p> <p><i>“SECTION 22. The Board of Directors or Trustees of a Corporation; Qualification and Term. - The board shall have independent directors constituting at least twenty percent (20%) of such board.</i></p> <p>The Chairman of the Audit Committee is Mr. Marvel K. Tan, a non-executive / independent director.</p>
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		and obtained his Master's in Business Administration, with honors, from University of St. La Salle and his Bachelor's degree in business administration from University of the East.	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	COMPLIANT	The Chairman of the Audit Committee is separate from the Chairman of the Board. The Chairman of the Audit Committee is Mr. Marvel K. Tan, an independent director whereas the Chairman of the Board is Mr. Federico J. Elizalde.	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	COMPLIANT	<p>AUDIT COMMITTEE:</p> <p>1. <b>Marvel K. Tan</b> (Independent Director) – Chairman</p> <p>He is currently the Internal Auditor of the Kapisanan ng mga Brodkaster ng Pilipinas (KBP) and Financial Consultant of Ads Standard Council, Inc. (ASC). He is a Certified Public Accountant and obtained his Bachelor in Business Administration (BBA) degree, cum laude, from Siliman University in Dumaguete City, Negros Oriental in 1964; enrolled in the Management Development Program (MDP) of Asian Institute of Management, Makati City in 1978 and the Corporate Financial Management Program of the University of Michigan administered in Hongkong in 1993.</p> <p>2. <b>Julio Manuel P. Macuja</b> (Executive Director) – Member</p> <p>He is currently the EVP-Treasurer of the Company. He joined in 1999. He is the Chief Information Officer registered with the Philippine Stock Exchange. He is also a Director of Elizalde Holdings Corporation and Star Parks Corporation. He graduated from Ateneo de Manila University, where he finished his Bachelor of Arts Degree in Economics (Honors) in 1985. He completed his post-graduate studies as a scholar of the British Council at the Victoria University of Manchester in 1989, obtaining a degree of Masters of Arts in Economics and Social Studies (Major in Development Studies).</p>	

		<p>3. <b>Eduardo G. Cordova</b> (Executive Director) – Member</p> <p>He is currently the SVP-CFO of the Company and Elizalde Holdings Corporation. He is also Chairman/President of our affiliate Philippine Broadcasting Corporation. He is a member of the Philippine Institute of Certified Public Accountants (PICPA). He is a Certified Public Accountant and obtained his Master’s in Business Administration, with honors, from University of St. La Salle and his Bachelor’s degree in business administration from University of the East.</p>	
<b>Recommendation 3.5</b>			
<p>1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.</p>	<p>NON-COMPLIANT</p>	<p>Manual on Corporate Governance, page 19:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	<p>As stated in the company’s Manual on Corporate Governance, in case the company does not have a separate Related Party Transaction Committee, the Audit Committee shall perform the duties and responsibilities of the said committee.</p>
<p>2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.</p>	<p>NON-COMPLIANT</p>	<p>AUDIT COMMITTEE:</p> <p>1. <b>Marvel K. Tan</b> (Independent Director) – Chairman</p> <p>He is currently the Internal Auditor of the Kapisanan ng mga Brodkaster ng Pilipinas (KBP) and Financial Consultant of Ads Standard Council, Inc. (ASC). He is a Certified Public Accountant and obtained his Bachelor in Business Administration (BBA) degree, cum laude, from Siliman University in Dumaguete City, Negros Oriental in 1964; enrolled in the Management Development Program (MDP) of Asian Institute of Management, Makati City in 1978 and the Corporate Financial</p>	<p>The Company has 2 non-executive / independent directors out of 9 directors in compliance with Section 38 of the Securities Regulation Code.</p> <p>Furthermore, Section 22 of the Revised Corporation Code of the Philippines provides:</p>



		<p>Management Program of the University of Michigan administered in Hongkong in 1993.</p> <p>2. <b>Julio Manuel P. Macuja</b> (Executive Director) – Member</p> <p>He is currently the EVP-Treasurer of the Company. He joined in 1999. He is the Chief Information Officer registered with the Philippine Stock Exchange. He is also a Director of Elizalde Holdings Corporation and Star Parks Corporation. He graduated from Ateneo de Manila University, where he finished his Bachelor of Arts Degree in Economics (Honors) in 1985. He completed his post-graduate studies as a scholar of the British Council at the Victoria University of Manchester in 1989, obtaining a degree of Masters of Arts in Economics and Social Studies (Major in Development Studies).</p> <p>3. <b>Eduardo G. Cordova</b> (Executive Director) – Member</p> <p>He is currently the SVP-CFO of the Company and Elizalde Holdings Corporation. He is also Chairman/President of our affiliate Philippine Broadcasting Corporation. He is a member of the Philippine Institute of Certified Public Accountants (PICPA). He is a Certified Public Accountant and obtained his Master’s in Business Administration, with honors, from University of St. La Salle and his Bachelor’s degree in business administration from University of the East.</p>	<p>“SECTION 22. <i>The Board of Directors or Trustees of a Corporation; Qualification and Term.</i> - The board shall have independent directors constituting at least twenty percent (20%) of such board.</p>
<b>Recommendation 3.6</b>			
<p>1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships,</p>	<p>COMPLIANT</p>	<p>Board Committee Charter:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	

structures, operations, reporting process, resources and other relevant information.			
2. Committee Charters provide standards for evaluating the performance of the Committees.	COMPLIANT		
3. Committee Charters were fully disclosed on the company's website.	COMPLIANT		

**Principle 4:** To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.

**Recommendation 4.1**

1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele- /videoconferencing conducted in accordance with the rules and regulations of the Commission.	COMPLIANT	<p>Manual on Corporate Governance, page 21:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p> <p>Minutes of Annual Stockholders' Meeting:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p> <table border="1"> <thead> <tr> <th>Board</th> <th>Name</th> <th>No. of meetings held during the year</th> <th>No. of meetings attended</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Chairman</td> <td>Federico J. Elizalde</td> <td>12</td> <td>11</td> <td>92%</td> </tr> <tr> <td>Member</td> <td>Ruperto S. Nicdao, Jr.</td> <td>12</td> <td>12</td> <td>100%</td> </tr> <tr> <td>Member</td> <td>Eduardo G. Cordova</td> <td>12</td> <td>12</td> <td>100%</td> </tr> </tbody> </table>	Board	Name	No. of meetings held during the year	No. of meetings attended	%	Chairman	Federico J. Elizalde	12	11	92%	Member	Ruperto S. Nicdao, Jr.	12	12	100%	Member	Eduardo G. Cordova	12	12	100%	
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		Member	Julio Manuel P. Macuja	12	12	100%	
		Member	Juan Manuel Elizalde	12	12	100%	
		Member	Robert Pua	12	12	100%	
		Member	Atty. Rudolph Steve E. Jularbal	12	12	100%	
		Independent	Marvel K. Tan	12	12	100%	
		Independent	George T. Goduco	12	12	100%	
2. The directors review meeting materials for all Board and Committee meetings.	COMPLIANT						
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	COMPLIANT	Directors are given the opportunity to raise questions to the Board and propose resolutions.					
<b>Recommendation 4.2</b>							
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have	COMPLIANT	<p><b><i>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</i></b></p> <p>The Company has set a limit on the number of board seats in other companies that an individual director of the Company may hold. On the</p>					

<p>sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long- term strategy of the company.</p>		<p>other hand, the CEO of the Company is not allowed to hold office as CEO in other publicly listed companies unless otherwise permitted by the Board.</p> <p>GUIDELINES:</p> <ul style="list-style-type: none"> <li>a. The Directors shall accept and hold the office because they believe they will be able to dedicate the time necessary to perform their duties diligently, taking into account both the number and nature of the offices they hold on the Board of Directors and boards in other companies and the commitment required of them by their additional professional activities and the offices they hold in associations.</li> <li>b. The Company's directors upon acceptance of their office, shall inform the Company's Human Resource Department and the Legal Department of any office they hold on the Board of Directors in other public companies. Furthermore, they shall promptly inform the Company's HR and Legal Department of any change that takes place with regard to the above-mentioned offices. When doing so, they shall specify the average monthly commitment connected with the offices they hold in other companies so that the total weight of the aforementioned offices can be established.</li> </ul> <p>MAXIMUM NUMBER OF DIRECTORSHIPS IN OTHER COMPANIES:</p> <ul style="list-style-type: none"> <li>a. For a director whose role is that of Chief Executive Officer, as a rule, it is not allowed, unless a different and justified assessment is expressed by the Board of Directors of the Company, to hold any office as a CEO in other publicly listed companies.</li> <li>b. For Directors other than the Company's CEO, 5 Board Seats is the maximum number of directorships in other companies (publicly</li> </ul>	
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		<p>listed companies with secondary license) a director can hold.</p> <p><b>Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies.</b></p> <p><b>1. FEDERICO J. ELIZALDE</b>  <i>Elizalde Land, Inc. – Executive (Chairman)</i>  <i>Star Parks Corporation – Executive (Chairman)</i>  <i>Philippine International Corporation – Executive (Chairman)</i>  <i>Elizalde Holdings Corporation – Executive (Chairman)</i>  <i>Sunshine Inns, Inc. – Executive (Chairman)</i></p> <p><b>2. RUPERTO S. NICDAO, JR.</b>  <i>Cebu Broadcasting Company – Executive</i>  <i>Elizalde Land, Inc. – Executive</i>  <i>Sunshine Inns, Inc. – Executive</i>  <i>Philippine International Corporation – Executive</i>  <i>Star Parks Corporation – Executive</i>  <i>Elizalde Holdings Corporation – Executive</i></p> <p><b>3. EDUARDO G. CORDOVA</b>  <i>Elizalde Holdings Corporation – Executive</i>  <i>Philippine Broadcasting Corporation – Executive</i>  <i>Cebu Broadcasting Company – Executive</i>  <i>Pacific Broadcasting System, Inc. – Executive</i>  <i>Elizalde Land, Inc. – Executive</i>  <i>Sunshine Inns, Inc. – Executive</i>  <i>Star Parks Corporation – Executive</i>  <i>Philippine International Corporation – Executive</i></p> <p><b>4. JULIO MANUEL P. MACUJA</b>  <i>Pacific Broadcasting System, Inc. – Executive (Chairman)</i></p>	
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		<p><i>Elizalde Holdings Corporation – Executive</i>  <i>Philippine Broadcasting Corporation – Executive</i>  <i>Elizalde Land, Inc. – Executive</i>  <i>Star Parks Corporation – Executive</i>  <i>Sunshine Inns, Inc. – Executive</i>  <i>Philippine International Corporation – Executive</i></p> <p><b>5. JUAN MANUEL ELIZALDE</b>  <i>Cebu Broadcasting Company – Executive (Chairman)</i>  <i>Philippine Broadcasting Corporation – Executive</i>  <i>Sunshine Inns, Inc. – Executive</i>  <i>Elizalde Holdings Corporation – Executive</i>  <i>Star Parks Corporation – Executive</i>  <i>Philippine International Corporation – Executive</i></p> <p><b>6. RUDOLPH STEVE E. JULARBAL</b>  <i>Pacific Broadcasting System, Inc. – Executive</i>  <i>Philippine Broadcasting Corporation – Executive</i>  <i>Elizalde Land, Inc. – Executive</i>  <i>Sunshine Inns, Inc. – Executive</i>  <i>Elizalde Holdings Corporation – Executive</i>  <i>Star Parks Corporation – Executive</i></p> <p><b>7. ROBERT PUA</b>  <i>Pacific Broadcasting System, Inc. – Executive</i>  <i>Cebu Broadcasting Company – Executive</i>  <i>Philippine Broadcasting Corporation – Executive</i></p>	
<b>Recommendation 4.3</b>			
1. The directors notify the company's board before accepting a directorship in another company.	COMPLIANT	The Company's directors, upon acceptance of their office, shall inform the Company's Human Resource Department and the Legal Department of any office they hold on the boards of directors in other public companies, Furthermore, they shall promptly inform the Company's HR and Legal Department of any change that takes place with regard to the above-	

		mentioned offices. When doing so, they shall specify the average monthly commitment connected with the offices they hold in other companies so that the total weight of the aforementioned offices can be established.																																									
<b>Optional: Principle 4</b>																																											
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	COMPLIANT																																										
2. Company schedules board of directors' meetings before the start of the financial year.	COMPLIANT																																										
3. Board of directors meet at least six times during the year.	COMPLIANT	<table border="1"> <thead> <tr> <th>Board</th> <th>Name</th> <th>No. of meetings held during the year</th> <th>No. of meetings attended</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Chairman</td> <td>Federico J. Elizalde</td> <td>12</td> <td>11</td> <td>92%</td> </tr> <tr> <td>Member</td> <td>Ruperto S. Nicdao, Jr.</td> <td>12</td> <td>12</td> <td>100%</td> </tr> <tr> <td>Member</td> <td>Eduardo G. Cordova</td> <td>12</td> <td>12</td> <td>100%</td> </tr> <tr> <td>Member</td> <td>Julio Manuel P. Macuja</td> <td>12</td> <td>12</td> <td>100%</td> </tr> <tr> <td>Member</td> <td>Juan Manuel Elizalde</td> <td>12</td> <td>12</td> <td>100%</td> </tr> <tr> <td>Member</td> <td>Robert Pua</td> <td>12</td> <td>12</td> <td>100%</td> </tr> <tr> <td>Member</td> <td>Atty.</td> <td>12</td> <td>12</td> <td>100%</td> </tr> </tbody> </table>	Board	Name	No. of meetings held during the year	No. of meetings attended	%	Chairman	Federico J. Elizalde	12	11	92%	Member	Ruperto S. Nicdao, Jr.	12	12	100%	Member	Eduardo G. Cordova	12	12	100%	Member	Julio Manuel P. Macuja	12	12	100%	Member	Juan Manuel Elizalde	12	12	100%	Member	Robert Pua	12	12	100%	Member	Atty.	12	12	100%	
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		Independent	George T. Goduco	12	12	100%	
4. Company requires as minimum quorum of at least 2/3 for board decisions.	COMPLIANT	<p>The Company's By-Laws provide that at any meeting of the Board of Directors, a majority of the number of the Directors as specified in the Articles of Incorporation shall constitute a quorum. At any meeting of the Board of Directors at which there is a quorum, all matters approved by at least a majority of the Board of Directors present at such meeting shall be valid as a corporate act, except for such matters which require the vote of majority of all members of the Board as prescribed by the law of the By-Laws.</p> <p>The quorum requirement in every meeting or any board decisions in the Company is set at two-thirds of board members. The requirement of a quorum is set for the protection against unrepresentative action in the name of the Company by an unduly small number of people.</p>					
<b>Principle 5:</b> The board should endeavor to exercise an objective and independent judgment on all corporate affairs.							
<b>Recommendation 5.1</b>							
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	<p><b><i>Provide information or link/reference to a document containing information on the number of independent directors in the board.</i></b></p> <p>INDEPENDENT DIRECTORS:</p> <ol style="list-style-type: none"> <li>1. Marvel K. Tan</li> <li>2. George T. Goduco</li> </ol> <p>Other Disclosures - Certification of Independent Directors:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>					<p>The Company has 2 independent directors out of 9 directors in compliance with Section 38 of the Securities Regulation Code.</p> <p>Furthermore, Section 22 of the Revised Corporation Code of the Philippines provides:</p>



			<p>"SECTION 22. <i>The Board of Directors or Trustees of a Corporation; Qualification and Term.</i> - The board shall have independent directors constituting at least twenty percent (20%) of such board.</p>
<b>Recommendation 5.2</b>			
<p>1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.</p>	<p>COMPLIANT</p>	<p>Independent directors play crucial role in ensuring the board's appropriate scrutiny over management and shareholders (in their capacity as owners of the company). They are individuals who do not maintain close ties with the management and expected to ensure potential conflict of interests between managers and shareholders are avoided or prevented. They are likewise expected to be able to provide independent judgment and outside experience and objectivity, not subordinated to operational considerations, on all issues which come before the Board.</p> <p>An Independent Director refers to a person who, ideally:</p> <ul style="list-style-type: none"> <li>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;</li> <li>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;</li> <li>c. Has not been appointed in the covered entity, its subsidiaries,</li> </ul>	

		<p>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;</p> <p>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;</p> <p>e. Is not a relative of a director, officer, or substantial shareholder of the covered company, its subsidiaries, associates, affiliates, or related companies or of any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brothers, sister and the spouse of such child, brother or sister;</p> <p>f. Is not acting as a nominee or representative of any director of the covered company or any of its related companies;</p> <p>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 responsibility in a broker-dealer firm which includes, among others, a director, officer, principal stockholder, nominee of the firm to the Exchange, associated person or salesman, and an authorized clerk of the broker or dealer;</p> <p>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;</p>	
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		<p>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;</p> <p>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;</p> <p>k. Is not employed as an executive officer of another company where any of the covered company's executives serves as directors.</p> <p>Independent directors, as much as possible, are to be in attendance during board meetings to promote transparency.</p>	
<b>Supplement to Recommendation 5.2</b>			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	COMPLIANT	Directors are not constrained to vote independently.	
<b>Recommendation 5.3</b>			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	COMPLIANT	<p><b><i>Provide information or link/reference to a document showing the years IDs have served as such.</i></b></p> <p>Other Disclosures – Certification of Independent Directors, Result of Annual Stockholders' Meeting (October 6, 2022):  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	
1. The company bars an independent director	COMPLIANT	Result of Annual Stockholders' Meeting (October 6, 2022): <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a>	

from serving in such capacity after the term limit of nine years.			
1. 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	Result of Annual Stockholders' Meeting (October 6, 2022): <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a>	
<b>Recommendation 5.4</b>			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	NON-COMPLIANT	<b>Identify the company's Chairman of the Board and Chief Executive Officer.</b>  <b>Mr. FEDERICO J. ELIZALDE</b> – Chairman of the Board / Chief Executive Officer  <b>Mr. RUPERTO S. NICDAO JR.</b> – President	The positions of the Chairman and CEO may be unified provided there are proper checks and balances to ensure that the Board gets the benefit of independent views and perspectives.
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	COMPLIANT	<b>Roles of the Chairman / Chief Executive Officer:</b>  1. Assures the availability of proper orientation for the first-time directors and continuing training opportunities for all directors; 2. Ensures effective operation of the Board and its committees in conformity with the highest standards of corporate governance; 3. Maintains access to senior management as is necessary and useful; 4. Promotes effective relationships and communications between non-executive directors and members of the Group Executive Committee; 5. Plans human resourcing to ensure that the Company has the capabilities and resources required to achieve its plans;	The CEO is not the President. There is a separate Office of the President.

		<ol style="list-style-type: none"> <li>6. Develops an organizational structure and establish processes and systems to ensure the efficient organization of resources;</li> <li>7. Leads the executive team, including the development of performance contracts and appraisals;</li> <li>8. Ensures that business performance is consistent with the business principles;</li> <li>9. Formulates and promotes a vision for the company and its contribution to the community, and leads the development and implementation of a long-term strategy and direction for the company;</li> <li>10. Develops processes and structures to ensure that capital investment proposals are reviewed thoroughly, that associated risks are identified and appropriate steps taken to manage the risks;</li> <li>11. Develops and maintains an effective framework of internal controls over risk in relation to al business activities including the Company's trading activities;</li> <li>12. Promotes key corporate values such as fairness, professionalism, collegiality, and innovation;</li> <li>13. Obtains resources consistent with the strategic plan, ensures that appropriate financial and management objectives are established and that systems are in place to protect assets and maintain effective control of operations; and</li> <li>14. Establish a culture of inclusion, integrity, character and lifelong learning within the Company that reinforces, encourages and promotes values of honesty, respect, responsibility and caring.</li> </ol> <p><b>Roles of the President:</b></p> <ol style="list-style-type: none"> <li>1. Makes certain that the meeting agenda focuses on strategic matters, including the overall risk appetite of the company, considering the developments in the business and regulatory environments, key governance concerns and contentious issues that will significantly affect operations;</li> </ol>	
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		<ol style="list-style-type: none"> <li>2. Guarantees that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions;</li> <li>3. Facilitates discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors;</li> <li>4. Ensures that the Board sufficiently challenges and inquires on reports submitted by Management;</li> <li>5. Ensures effective communication with shareholders, host governments and other relevant constituencies and that the views of these groups are understood by the Board;</li> <li>6. Make sure that the performance of the Board, its main committees and individual directors is formally evaluated on an annual basis and discussed/followed up on;</li> <li>7. Develops strategy proposals for recommendation to the Board and ensure that agreed strategies are reflected in the business;</li> <li>8. Develops annual plans, consistent with agreed strategies, for presentation to the Board for support;</li> <li>9. Be responsible to the Board for the performance of the business consistent with agreed plans, strategies and policies;</li> <li>10. Ensures that robust management succession and management development plans are in place and presented to the Board from time to time;</li> <li>11. Provides leadership to Board members by setting and managing the Board's agenda, directing the assignment of responsibilities to Board members for particular files and projects, and participating in the selection process for Board members to ensure the Board encompasses a broad base of knowledge and skills;</li> <li>12. Improve operating performance - work with the Board and the appropriate staff to develop a tactical plan for achieving goals;</li> <li>13. Build and manage the staff - create a plan to build unity, encourage teamwork, improve communication, and foster individual staff development and ensure that the Company has outstanding and</li> </ol>	
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		<p>dedicated employees;</p> <p>14. Prepare and manage the budget - establish a process to create and monitor the budget and control costs;</p> <p>15. Establish and implement a strategic plan - develop and implement tactical/operating plans that lead to the Company's financial strengthening and facility development;</p> <p>16. Lead fundraising efforts - review the Company's current fund requirements and take an active role and lead the initiatives in recruiting and promoting the Company to prospective clients;</p> <p>17. Address specific growth and development areas - the Company has significant facility development opportunities and issues, as well as the need to update its technology systems. The goal for technology is to identify the Company's technology needs both in terms of hardware and software/operational systems and to develop a plan to address these technology needs; and</p> <p>18. Develop an effective and diverse board - work closely with the board to evaluate the strengths and needs of the board's composition relative to the strategic plan and key goals.</p>	
<b>Recommendation 5.5</b>			
<p>1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.</p>	COMPLIANT	<p>The Board shall designate a Lead Director among the independent directors if the Chairman of the Board is not independent, including if the positions of the Chairman of the Board and the Chief Executive Officer are held by one person.</p> <p>Lead Director has sufficient authority to lead the board in cases where management has clear conflicts of interest. The functions of the lead director include, among others, the following:</p> <ul style="list-style-type: none"> <li>a. Serves as an intermediary between the Chairman and the other directors when necessary;</li> <li>b. Convenes and chairs meetings of the non-executive directors; and</li> <li>c. Contributes to the performance evaluation of the Chairman, as required.</li> </ul>	

		<b>Indicate if Chairman is independent.</b>	
		The Chairman of the Board is not an independent director.	
<b>Recommendation 5.6</b>			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	COMPLIANT	<p>Independence is defined as having no business or other relationship with the Company that could reasonably be perceived to materially interfere with the exercise of independent director's judgment in carrying out his responsibilities as a director. Our independent directors, namely, Mr. George T. Goduco and Mr. Marvel K. Tan have no business or other relationship with the Company which may interfere with the exercise of their judgment in carrying out their responsibilities as independent directors.</p> <p>Pursuant to the applicable rules and regulations of the SEC, independent directors are nominated and elected in the Annual Stockholders' Meeting and each director issues a certification confirming his independence within 30 days from his election.</p>	
<b>Recommendation 5.7</b>			
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		The non-executive directors / independent directors have no separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present for the year 2022. The Audit Committee conducts regular meetings and dialogues with the external audit team with the



			presence of VP-Controller as a resource person.
2. The meetings are chaired by the lead independent director.	NON-COMPLIANT		<p>Lead Director has sufficient authority to lead the Board in cases where management has clear conflicts of interest. The functions of the Lead Director include, among others, the following:</p> <ul style="list-style-type: none"> <li>a. Serves as an intermediary between the Chairman and the other directors when necessary;</li> <li>b. Convenes and chairs meetings of the non-executive directors;</li> <li>c. Contributes to the performance evaluation of the Chairman, as required.</li> </ul>
<b>Optional: Principle 5</b>			
1. None of the directors is a former CEO of the company in the past 2 years.		<i>Provide name/s of company CEO for the past 2 years</i>	

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

**Recommendation 6.1**

1. Board conducts an annual self-assessment of its performance as a whole.	COMPLIANT	<p>The Board annually conducts a self-assessment of their performance individually, collectively and as members of the different Board Committees. The self-assessment results are key factors in the enhancement of director’s performance and effectiveness in discharging their duties.</p> <p>CRITERIA:</p> <ul style="list-style-type: none"> <li>A. Board Structure</li> <li>B. Board Duties and Responsibilities</li> <li>C. Duties and Responsibilities as an Individual Director</li> </ul> <p>The performance is conducted using a rating system described as follows:</p> <ul style="list-style-type: none"> <li>1 – Needs immediate attention</li> <li>2 – Needs strengthening</li> <li>3 – Satisfactory</li> <li>4 – Good</li> <li>5 – Very Good</li> </ul>	
2. The Chairman conducts a self-assessment of his performance.	COMPLIANT		
3. The individual members conduct a self-assessment of their performance.	COMPLIANT		
4. Each committee conducts a self- assessment of its performance.	COMPLIANT		
5. Every three years, the assessments are supported by an external facilitator.	NON-COMPLIANT	<b>Identify the external facilitator and provide proof of use of an external facilitator.</b>	Assessment process is done internally.

**Recommendation 6.2**

1. Board has in place a system that provides, at the minimum, criteria and process to determine the	COMPLIANT	<b>Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders.</b>	
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performance of the Board, individual directors and committees.		Revised Manual on Corporate Governance, page 25: <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a>	
2. The system allows for a feedback mechanism from the shareholders.	COMPLIANT		
<b>Principle 7:</b> Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
<b>Recommendation 7.1</b>			
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	Revised Manual on Corporate Governance, page 25: <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a>  Code of Business Conduct and Ethics: <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a>	
2. The Code is properly disseminated to the Board, senior management and employees.	COMPLIANT	The Company did not merely disseminate the code of conduct but they also made sure that this code is fully understood and utilized by all the directors, senior management and employees either in terms of application, increasing awareness, understanding or fostering change.  The ethics and compliance are under the supervision of the Human Resource Department with the help of the Company's Legal Department. It is composed of senior managers who report directly to the Chairman. It ensures that the Company's Code of Ethics and all internal regulations derived therefrom are properly adhered to. They make proposals to the Chairman of the Company and the Board of Directors concerning ethics and compliance. They also organize reports from the managers of the Company on how the Code is being applied. Any employee can refer an	

		issue to the Human Resource Department on any subject relative to the principles set forth in the Code.	
3. The Code is disclosed and made available to the public through the company website.	COMPLIANT	Code of Business Conduct and Ethics: <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a>	
<b>Supplement to Recommendation 7.1</b>			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying, and receiving bribes.	COMPLIANT	Company Policies: <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a>	
<b>Recommendation 7.2</b>			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT	Code of Conduct and Business Ethics: <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a>  <b>Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.</b>	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	COMPLIANT	All directors, senior management and employees are required to comply with the Code of Business Conduct and Ethics.	

### Disclosure and Transparency

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

#### Recommendation 8.1

<p>1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.</p>	<p>COMPLIANT</p>	<p><b><i>Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders.</i></b></p> <p>The Company realizes its duty to protect the rights and benefits of shareholders and to place importance on fair and equal treatment of all shareholders. It is the Company's policy to disclose information with respect to business operation with accuracy and transparency, including any issues that could impact the Company's business and the rights in which shareholders are entitled to, such as shareholders' participation in the shareholders' meeting to exercise their voting rights, the rights to receive dividend, or the rights to approve a decrease or an increase of capital.</p> <p>Manila Broadcasting Company's official website:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p> <p>PSE Edge Disclosure:  <a href="https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=117">https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=117</a></p>	
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#### Supplement to Recommendation 8.1

<p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days</p>	<p>NON-COMPLIANT</p>	<p><b><i>Indicate the number of days within which the consolidated and interim reports were published, distributed or made available from the end of the fiscal year and end of the reporting period, respectively.</i></b></p> <p>Annual Report and Quarterly Report:  <a href="https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=117">https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=117</a></p>	<p>Based on the deadlines set by the Securities and Exchange Commission and the Philippine Stock Exchange, the annual report is published within 105 days from the end of the financial year (April 15) while interim reports are</p>
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from the end of the fiscal year, while interim reports are published within forty- five (45) days from the end of the reporting period.			published within 45 days from the end of the reporting period.
2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	COMPLIANT	<p><b>Provide link or reference to the company's annual report where the following are disclosed:</b></p> <ol style="list-style-type: none"> <li><b>1. principal risks to minority shareholders associated with the identity of the company's controlling shareholders;</b></li> <li><b>2. cross-holdings among company affiliates; and</b></li> <li><b>3. any imbalances between the controlling shareholders' voting power and overall equity position in the company.</b></li> </ol> <p>Audited Consolidated FS 2022:  Non-controlling interests – Note 2, Note 4  Related Party Transactions – Note 16</p> <p><a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	
<b>Recommendation 8.2</b>			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	COMPLIANT	<p><b>Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share.</b></p> <p>Revised Manual on Corporate Governance, page 26:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	
2. Company has a policy requiring all officers to disclose/report to the	COMPLIANT		

company any dealings in the company's shares within three business days.			
<b>Supplement to Recommendation 8.2</b>			
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><b>Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders.</b></p> <p>Other disclosures:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p> <p><b>Provide link or reference to the company's Conglomerate Map.</b></p> <p>SEC Form 17-A 2022, page 31:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	
<b>Recommendation 8.3</b>			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	<p><b>Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</b></p> <p>SEC Form 17-A 2022 (page 21-27); Corporate Governance Seminar:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	
2. Board fully discloses all relevant and material information on key executives to evaluate	COMPLIANT		

<p>their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>			
<b>Recommendation 8.4</b>			
<p>1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.</p>	<p>COMPLIANT</p>	<p><b><i>Disclose or provide link/reference to the company policy and practice for setting board remuneration.</i></b></p> <p><b>I. REMUNERATION PROCESS</b></p> <p>A. FIXED REMUNERATION</p> <p>The fixed remuneration is established taking into account the level of responsibility and the professional path of the director/officer within the Company. A wage benchmark is established for each function, reflecting its value to the organization. This wage benchmark is defined by analyzing its equivalences and fairness inside the Company and on the market outside. The fixed remuneration is continuously reviewed by the Corporate Governance Committee against comparable positions.</p> <p>B. VARIABLE REMUNERATION</p> <p>The variable component of the total remuneration package is performance related. It is consisting of short and long-term components. Performance targets and conditions are derived from our strategy and annual business plans. The targets are assigned prior to the relevant year and assessment of realization is conducted after year-end by the Senior Management.</p> <p>C. PER DIEM ALLOWANCE</p> <p>Per diem allowance are fixed rate payments made on a per day</p>	



		<p>basis for attendance at meetings of the Board of Directors.</p> <p>D. BONUS</p> <p>Members of the Board have the right to participate in a bonus scheme based on the Company's performance for the year. The bonus is paid out annually after adoption of the annual report for the relevant financial year. The bonus pay-out level is defined by a weighted target achievement and is capped at a certain percentage of the fixed salary with the target and maximum pay-out levels set at a certain percentage of the annual base salary respectively. No pay-out will be made if the target is not met at the defined minimum acceptable performance level. The bonus scheme is based on target achievement of a number of parameters, including financial key performance indicators like EBIT and cash flows as well as may targets approved by the Board of Directors.</p> <p>E. OTHERS (PERSONAL BENEFITS)</p> <p>Members of the Board have access to a number of work-related benefits, including car incentive, communication allowance, medical, dental and optical allowances, other work-related newspapers and magazine subscriptions. The extent of individual benefits is negotiated with each individual member of the Board and reflects local market practice.</p> <p><b>II. REMUNERATION POLICY AND STRUCTURE FOR EXECUTIVE AND NON-EXECUTIVE DIRECTORS</b></p> <p>A. Executive Directors</p> <p><b>Remuneration Policy:</b> Follows Company's salary structure and benefit package and Board-approved rate/package.</p>	
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2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	COMPLIANT	<p><b>Disclose or provide link/reference to the company policy and practice for determining executive remuneration.</b></p> <p>REMUNERATION POLICY AND STRUCTURE FOR EXECUTIVE AND NON-EXECUTIVE DIRECTORS</p> <p>Executive Directors</p> <p><b>Remuneration Policy:</b> Follows Company's salary structure and benefit package and Board-approved rate/package.</p> <p><b>Structure of Compensation Packages:</b> Compensation/salary package is composed of basic monthly pay plus number of bonus months as approved by the Board.</p>	
3. Company discloses the remuneration on an individual basis, including	COMPLIANT	<p><b>Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.</b></p> <p>SEC Form 17-A 2022, page 24: <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	

termination and retirement provisions.			
<b>Recommendation 8.5</b>			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	COMPLIANT	<p><b>Disclose or provide reference/link to company's RPT policies.</b></p> <p>Company Policies – Related Party Transaction Policy:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p> <p><b>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</b></p> <p>A director with conflict of interest is abstained from the board discussion on that particular transaction.</p> <p>It is a Company's policy that directors acting on the Company's behalf must be free from conflicts of the interest that could adversely influence their judgment, objectivity or loyalty to the Company in conducting Company's business activities and assignments.</p>	
2. Company discloses material or significant RPTs reviewed and approved during the year.	COMPLIANT	<p><b>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</b></p> <ol style="list-style-type: none"> <li><b>1. name of the related counterparty;</b></li> <li><b>2. relationship with the party;</b></li> <li><b>3. transaction date;</b></li> <li><b>4. type/nature of transaction;</b></li> <li><b>5. amount or contract price;</b></li> <li><b>6. terms of the transaction;</b></li> <li><b>7. rationale for entering into the transaction;</b></li> <li><b>8. the required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and</b></li> <li><b>9. other terms and conditions</b></li> </ol> <p>There are no material related party transactions for the year 2022.</p>	

		Audited Consolidated Financial Statements: Related Party Transactions – Note 16 <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a>	
<b>Supplement to Recommendation 8.5</b>			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	COMPLIANT	It is the policy of the Company that all Related Party Transactions shall be subject to approval or ratification in accordance with the procedures set forth in the Company's rulings. Annually, the Company will disclose the information regarding Related Party Transactions that is required by regulations of the SEC to be disclosed, or incorporated by reference, in the Company's Annual Report.  Such disclosure to the Board should occur on a timely basis after the executive officer, director or nominee for director becomes aware of the Related Party Transaction, but in no case later than the time of the next following circulation of the questionnaire described in the following sentence. The questionnaire sent annually by the Company to directors and executive officers will solicit information regarding Related Party Transactions that are currently proposed or occurred since the beginning of the Company's last fiscal year.	
<b>Optional: Recommendation 8.5</b>			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	COMPLIANT	<b><i>Provide link or reference where this is disclosed, if any.</i></b>  Company Policies – Related Party Transaction Policy: <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a>	
<b>Recommendation 8.6</b>			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the	COMPLIANT	<b><i>Provide link or reference where this is disclosed.</i></b>  SEC Form 17-C (Acquisition of Assets): <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a>  Acquisition of Assets:	

<p>acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.</p>		<p><a href="https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=117">https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=117</a></p>	
<p>2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.</p>	<p>NON-COMPLIANT</p>	<p><b>Identify independent party appointed to evaluate the fairness of the transaction price.</b></p> <p><b>Disclose the rules and procedures for evaluating the fairness of the transaction price, if any.</b></p>	<p>The amount of consideration for the property acquired is based on the agreement between the seller, Union Bank, and Manila Broadcasting Company.</p>
<p><b>Supplement to Recommendation 8.6</b></p>			
<p>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.</p>	<p>COMPLIANT</p>	<p>Shareholder agreements that may have an impact on the control, ownership, and strategic direction of the MBC:</p> <ol style="list-style-type: none"> <li>1. <b>ELIZALDE HOLDINGS CORPORATION – 34.66%</b> The Chairman, Mr. Federico J. Elizalde, holds voting trust or similar agreements to more than 5% of the common stock of MBC and has voting rights and such powers as provided in the Revised Corporation Code of the Philippines. EHC is owned by various trust funds that have executed voting trusts in favor of the Chairman, Mr. Federico J. Elizalde. These agreements shall last during the lifetime of Mr. Federico J. Elizalde as provided for in the agreements. Mr. Federico J. Elizalde holds office at the principal office of MBC.</li> <li>2. <b>ELIZALDE LAND, INC. – 21.61%</b> ELI is a 100% owned subsidiary of EHC. Mr. Eduardo G. Cordova, MBC’s SVP-CFO, is the person designated to exercise voting power over the shares of ELI. Mr. Cordova holds office at the principal office of the Company.</li> </ol>	

		<p>3. <b>ROMULO, MABANTA, BUENAVENTURA, SAYOC AND DELOS ANGELES LAW OFFICES</b> – 17.36% Atty. Reynaldo G. Geronimo is the designated Trustee of the Romulo, Mabanta, Buenaventura, Sayoc and Delos Angeles Trust Fund that holds voting trust or similar agreements to more than 5% of the common stock and has voting rights and such powers as provided in the Revised Corporation Code of the Philippines. The designation as trustee shall continue in accordance with the agreements. He holds office at 30<sup>th</sup> floor, Citibank Tower, 8741 Paseo de Roxas, Makati City.</p> <p>4. <b>CEBU BROADCASTING COMPANY</b> – 12.42% CBC is a 100% owned subsidiary of EHC. Mr. Robert Pua, MBC's VP-Controller and Compliance Officer, is the person designated to exercise voting power over the shares of CBC. Mr. Pua holds office at the principal office of MBC.</p>	
<b>Recommendation 8.7</b>			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	<p><b>Provide link to the company's website where the Manual on Corporate Governance is posted.</b></p> <p><a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	
2. Company's MCG is submitted to the SEC and PSE.	COMPLIANT		
3. Company's MCG is posted on its company website.	COMPLIANT		
<b>Supplement to Recommendation 8.7</b>			
1. Company submits to the SEC and PSE an updated MCG to disclose any	COMPLIANT	<p><b>Provide proof of submission.</b></p> <p>PSE Edge Disclosure: <a href="https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=117">https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=117</a></p>	

changes in its corporate governance practices.		SEC submission: <a href="https://secexpress.ph/">https://secexpress.ph/</a>	
<b>Optional: Principle 8</b>			
1. Does the company's Annual Report disclose the following information:		<b>Provide link or reference to the company's Annual Report containing the said information.</b>	
a. Corporate Objectives	COMPLIANT	SEC Form 17-A, Consolidated Audited Financial Statements, and Parent Audited Financial Statements: <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a>	
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		
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	<p><b><i>Provide link or reference to where this is contained in the Annual Report.</i></b></p> <p>Audited Consolidated Financial Statements – Note 25; Statement of Management's Responsibility for the Consolidated Financial Statements <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	COMPLIANT	<p><b><i>Provide link or reference to where this is contained in the Annual Report.</i></b></p> <p>Audited Consolidated Financial Statements - Statement of Management's Responsibility for the Financial Statements: <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	
5. The company discloses in the Annual Report the key risks to which the	COMPLIANT	<p><b><i>Provide link or reference to where these are contained in the Annual Report.</i></b></p>	



company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).		Audited Consolidated Financial Statements – Note 25; Sustainability Report: <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a>	
<p><b>Principle 9:</b> 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.</p>			
<p><b>Recommendation 9.1</b></p>			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	COMPLIANT	<p><b><i>Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company’s external auditor.</i></b></p> <p>Revised Manual on Corporate Governance, page 16, 26: <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	COMPLIANT	Minutes of Annual Stockholders’ Meeting: <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a>	
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the	COMPLIANT	<p><b><i>Provide information on or link/reference to a document containing the company’s reason for removal or change of external auditor.</i></b></p> <p>There is a rotation of external auditors every seven (7) years of engagement.</p>	

company website and required disclosures.			
<b>Supplement to Recommendation 9.1</b>			
1. Company has a policy of rotating the lead audit partner every five years.	NON-COMPLIANT	<b><i>Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years.</i></b>	<p>SRC Rule 68 – Rotation of External Auditors states:</p> <p><i>“The independent auditors or in the case of an auditing firm, key audit partners of SEC-regulated entities under Groups A to C, shall comply with the provisions on long association of personnel (including partner rotation) with an audit client as prescribed in the Code of Ethics for Professional Accountants in the Philippines as adopted by the BOA and PRC and such other standards as may be adopted by the Commission.”</i></p> <p>As per Code of Ethics for Professional Accountants, an individual shall not act as an audit partner for more than seven (7) cumulative years.</p>
<b>Recommendation 9.2</b>			
1. Audit Committee Charter includes the	COMPLIANT	<b><i>Provide link/reference to the company’s Audit Committee Charter.</i></b>	

<p>Audit Committee's responsibility on:</p> <ul style="list-style-type: none"> <li>a. assessing the integrity and independence of external auditors;</li> <li>b. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</li> <li>c. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</li> </ul>		<p>Board Committees – Audit Committee Charter:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p> <p>Revised Manual on Corporate Governance, page 16:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	
<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>	<p>COMPLIANT</p>	<p><b><i>Provide link/reference to the company's Audit Committee Charter.</i></b></p> <p>Board Committees – Audit Committee Charter:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p> <p>Revised Manual on Corporate Governance, page 16:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	

<b>Supplement to Recommendation 9.2</b>			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	COMPLIANT	<p><b>Provide link/reference to the company's Audit Committee Charter.</b></p> <p>Board Committees – Audit Committee Charter:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p> <p>Revised Manual on Corporate Governance, page 16:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	COMPLIANT	<p><b>Provide link/reference to the company's Audit Committee Charter.</b></p> <p>Board Committees – Audit Committee Charter:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p> <p>Revised Manual on Corporate Governance, page 16:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	
<b>Recommendation 9.3</b>			
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	<p><b>Disclose the nature of non-audit services performed by the external auditor, if any.</b></p> <p>There are no non-audit services for the year 2022.</p>	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non- audit services, which could be viewed as	COMPLIANT	<p><b>Provide link or reference to guidelines or policies on non-audit services.</b></p> <p>Revised Manual on Corporate Governance, page 17:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	

impairing the external auditor's objectivity.			
<b>Supplement to Recommendation 9.3</b>			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	COMPLIANT	<b>Provide information on audit and non-audit fees paid.</b>  There are no non-audit services for the year 2022.	
<b>Additional Recommendation to Principle 9</b>			
1. Company's external auditor is duly accredited by the SEC under Group A category.	COMPLIANT	<b>Provide information on company's external auditor, such as:</b>  <b>1. Name of the audit engagement partner</b> MARIA PILAR B. HERNANDEZ  <b>2. Accreditation number</b> 105007-SEC (Group A)  <b>3. Date Accredited</b> Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions  <b>4. Expiry date of accreditation</b> Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions  <b>5. Name, address, contact number of the audit firm</b> SYCIP, GORRES, VELAYO & CO. 6760 Ayala Avenue, Makati City, 1226 Metro Manila (632) 891-0307	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance	COMPLIANT	<b>Provide information on the following:</b>  <b>1. Date it was subjected to SOAR inspection</b> November 12-23, 2018	

<p>Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).</p>		<p><b>2. Name of the Audit firm</b> SYCIP GORRES VELAYO and Company</p> <p><b>3. Members of the engagement team inspected by the SEC –</b> The names of the members of the engagement team were provided to the Securities and Exchange Commission (SEC) during the SOAR Inspection.</p>	
<b>Principle 10:</b> The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
<b>Recommendation 10.1</b>			
<p>1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.</p>	<p>COMPLIANT</p>	<p><b>Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.</b></p> <p>Sustainability Report (Economic, Environment, Social) and Integrated Annual Corporate Governance Report: <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	
<p>2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.</p>	<p>COMPLIANT</p>	<p><b>Provide link to Sustainability Report, if any. Disclose the standards used.</b></p> <p>Sustainability Report is based on the template provided by SEC Memorandum Circular No. 4, Series of 2019: <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	

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

**Recommendation 11.1**

<p>1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.</p>	<p>COMPLIANT</p>	<p><b>Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any.</b></p> <p>The Company shall 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. These shall include, but not limited to Company's website, media and analysts' briefings.</p> <p>Manila Broadcasting Company's official website:  <a href="https://manilabroadcasting.com.ph">https://manilabroadcasting.com.ph</a></p> <p>PSE Edge Disclosure:  <a href="https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=117">https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=117</a></p>	
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**Supplemental to Principle 11**

<p>1. Company has a website disclosing up-to- date information on the following:</p>		<p><b>Provide link to company website:</b></p> <p><a href="https://manilabroadcasting.com.ph/">https://manilabroadcasting.com.ph/</a></p>	
<p>a. Financial statements/reports (latest quarterly)</p>	<p>COMPLIANT</p>		
<p>b. Materials provided in briefings to analysts and media</p>	<p>COMPLIANT</p>		
<p>c. Downloadable annual report</p>	<p>COMPLIANT</p>		

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		
<b>Supplemental to Principle 11</b>			
1. Company complies with SEC-prescribed website template.	COMPLIANT		
<b>Internal Control System and Risk Management Framework</b>			
<b>Principle 12:</b> 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.			
<b>Recommendation 12.1</b>			
1. Company has an adequate and effective internal control system in the conduct of its business.	COMPLIANT	Please see Annex C for the internal audit functions.	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	COMPLIANT	Enterprise Risk Management <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a>	
<b>Supplement to Recommendation 12.1</b>			
1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant	COMPLIANT	Revised Manual on Corporate Governance, page 28: <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a>  Enterprise Risk Management: <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a>	



<p>regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.</p>			
<b>Optional: Recommendation 12.1</b>			
<p>1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.</p>		<p><b><i>Provide information on IT governance process.</i></b></p>	
<b>Recommendation 12.2</b>			
<p>1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.</p>	<p>COMPLIANT</p>	<p><b><i>Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.</i></b></p> <p>Please see Annex C for the internal audit functions.</p>	

<b>Recommendation 12.3</b>			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	COMPLIANT	<p><b>Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.</b></p> <p>The Company's Chief Audit Executive is Mr. Marvel K. Tan.</p> <p>Revised Manual on Corporate Governance, page 29:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></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	Please see Annex C for the internal audit functions.	
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	Please see Annex C for the internal audit functions.	
<b>Recommendation 12.4</b>			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	COMPLIANT	<p><b>Provide information on company's risk management function.</b></p> <p>Revised Manual on Corporate Governance, page 29:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	

<b>Supplement to Recommendation 12.4</b>			
1. Company seeks external technical support in risk management when such competence is not available internally.	COMPLIANT	<b>Identify source of external technical support, if any.</b>  The company do not see the need for external technical support in risk management.	
<b>Recommendation 12.5</b>			
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	<b>Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.</b>	Currently, the Company has no Chief Risk Officer (CRO). The functions and duties related to Enterprise Risk Management (ERM) is assumed by the Audit Committee headed by an Independent Director.
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	NON-COMPLIANT		
<b>Additional Recommendation to Principle 12</b>			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	COMPLIANT	<b>Provide link to CEO and CAE's attestation.</b>  Please see Annex A of this report for the attestation of the CEO and CAE.	

### 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><b>Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.</b></p> <p>Revised Manual on Corporate Governance, page 30:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	COMPLIANT	<p><b>Provide link to company's website</b></p> <p>Revised Manual on Corporate Governance, page 30:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	

#### Supplement to Recommendation 13.1

1. Company's common share has one vote for one share.	COMPLIANT		
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	COMPLIANT	<p><b>Provide information on all classes of shares, including their voting rights if any.</b></p> <p>The Company issues only one class of shares which is common shares and each share entitle the holder to one vote that may be exercised in person or by proxy at shareholders' meetings, including the Annual Stockholders' Meeting.</p> <p>Revised Manual on Corporate Governance, page 30:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	
3. Board has an effective, secure, and efficient voting system.	COMPLIANT	<p><b>Provide link to voting procedure. Indicate if voting is by poll or show of hands.</b></p> <p>Definitive Information Statement – Item 19:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	

		Voting is by show of hands.	
4. Board has an effective shareholder voting mechanism such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	COMPLIANT	<p>Stockholders are encouraged to personally attend the annual stockholders' meeting. 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.</p> <p>Communication Procedure:</p> <ol style="list-style-type: none"> <li>1. Shareholders are provided through public records, communication media, and the Company's website, the disclosures, announcements and reports filed with the SEC, PSE, and other regulating agencies.</li> <li>2. Shareholders are allowed to inspect corporate books and records including minutes of board meetings and stock registries in accordance with the Revised Corporation Code of the Philippines.</li> <li>3. Shareholders, upon request, are provided with periodic reports which disclose personal and professional information about the directors, officers, and certain other matters such as their shareholdings, dealings with the Company, relationships among directors and key officers, and the aggregate compensation of directors and officers.</li> <li>4. Stockholders are informed at least 10 business days before the scheduled date of the Annual Stockholders' Meeting. The Notice of Meeting includes the date, time, venue, agenda of the meeting, and the record date of stockholders entitled to vote.</li> <li>5. Each share entitles the holder to one vote that may be exercised in person at shareholder meetings. Shareholders have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Revised Corporation Code of the Philippines.</li> <li>6. Voting procedures on matters presented for approval to the stockholders in the Annual Stockholders' Meeting are set out in the Definitive Information Statement, which is posted on the Company's website 15 business days before the date of the meeting.</li> </ol>	

		<p>7. The Company has also designated relations officers to handle investor and shareholder queries and requests, and their contact information can easily be accessed through the Company's website.</p> <p>8. The Company continues actively maintain its website to provide timely information updates on its governance, operational, and financial performance.</p>	
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	COMPLIANT	The Board gives 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 Company.	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	COMPLIANT	<p><b><i>Provide information or link/reference to the policies on treatment of minority shareholders.</i></b></p> <p>Revised Manual on Corporate Governance, page 31:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	
7. Company has a transparent and specific dividend policy.	COMPLIANT	<p>Dividend Policy:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p> <p><b><i>Indicate if company declared dividends. If yes, indicate the number of days within which the dividends were paid after declaration. In case the company has offered scrip-dividends, indicate if the company paid the dividends within 60 days from declaration.</i></b></p> <p>Declaration date – December 28, 2022  Record date – January 27, 2023  Payment date – February 14, 2023</p>	

<b>Optional: Recommendation 13.1</b>			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.		<b>Identify the independent party that counted/validated the votes at the ASM, if any.</b>	
<b>Recommendation 13.2</b>			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	COMPLIANT	<p><b>Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out.</b></p> <p>Postponement of Annual Stockholders' Meeting – May 25, 2022</p> <p>Notice of Annual Stockholders' Meeting: September 2, 2022 – posted on PSE Edge and on MBC website</p> <p>MBC website: <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p> <p>PSE Edge: <a href="https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=117">https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=117</a></p> <p><b>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</b></p> <p>The stockholders of the Company do not have the opportunity to approve the decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of Board of Directors. The amount of remuneration is determined by the Board of Directors.</p> <p><b>Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS)</b></p>	

		Definitive Information Statement: <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a>	
<b>Supplemental to Recommendation 13.2</b>			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:			
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	COMPLIANT		
b. Auditors seeking appointment/re-appointment	COMPLIANT		
c. Proxy documents	COMPLIANT		
<b>Optional: Recommendation 13.2</b>			
1. Company provides rationale for the agenda items for the annual stockholders meeting	COMPLIANT	<b>Provide link or reference to the rationale for the agenda items</b>  Notice of Annual Stockholders' Meeting & Definitive Information Statement: <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a>	
<b>Recommendation 13.3</b>			
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	<b>Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.</b>  The results of the annual stockholder's meeting were immediately disclosed to PSE EDGE, minutes after the meeting was held.	



<p>2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.</p>	<p>COMPLIANT</p>	<p><a href="https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=117">https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=117</a></p> <p><b>Provide link to minutes of meeting in the company website.</b></p> <p><a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p> <p><b>Indicate voting results for all agenda items, including the approving, dissenting, and abstaining votes.</b></p> <p>Majority vote.</p> <p><b>Indicate also if the voting on resolutions was by poll.</b></p> <p>Voting was by show of hands via Zoom.</p> <p><b>Include whether there was opportunity to ask question and the answers given, if any.</b></p> <p>All directors and shareholders present were given opportunity to raise questions and propose resolutions, subject to reasonable limitations.</p>	
<b>Supplement to Recommendation 13.3</b>			
<p>1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.</p>	<p>COMPLIANT</p>	<p><b>Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting.</b></p> <p>The external auditor and the stock transfer agent were present during the Annual Stockholders' Meeting.</p>	
<b>Recommendation 13.4</b>			
<p>1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve</p>	<p>COMPLIANT</p>	<p><b>Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes.</b></p> <p>Stockholders who have matters for discussion or concerns directly relating to the business of the Company may initially elevate such matters or</p>	

<p>intra-corporate disputes in an amicable and effective manner.</p>		<p>concerns to:</p> <ol style="list-style-type: none"> <li>a. the Corporate Secretary</li> <li>b. the Investor Relations Officer</li> <li>c. Management</li> <li>d. the Board.</li> </ol> <p>The Company complies with, abides and is guided by, the policy set forth in Republic Act No. 9285, otherwise known as the "Alternative Dispute Resolution Act of 2004", in handling conflicts of differences between the Company and third parties, including regulators, in that the Company considers and explores with the other party or parties involved mutually acceptable alternative means or procedures for resolving such dispute that are provided by law prior to resorting to court action, to the extent that such is feasible and will not prejudice the rights and interests of the Company.</p>	
<p>2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.</p>	<p>COMPLIANT</p>	<p><b><i>Provide link/reference to where it is found in the Manual on Corporate Governance.</i></b></p> <p>Revised Manual on Corporate Governance, page 31:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	
<p><b>Recommendation 13.5</b></p>			
<p>1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.</p>	<p>COMPLIANT</p>	<p><b><i>Disclose the contact details of the officer/office responsible for investor relations, such as:</i></b></p> <ol style="list-style-type: none"> <li><b><i>1. Name of the person –</i></b> Mr. Eduardo G. Cordova (SVP-CFO)</li> <li><b><i>2. Telephone number -</i></b> (02) 832-61-49 to 50</li> <li><b><i>3. E-mail address -</i></b> <a href="mailto:edcor@mbradio.net">edcor@mbradio.net</a></li> </ol>	

2. IRO is present at every shareholder's meeting.	COMPLIANT	<p><b>Indicate if the IRO was present during the ASM.</b></p> <p>The Company's Investor Relations Officer was present during the Annual Stockholders' Meeting.</p>	
<b>Supplemental to Recommendations to Principle 13</b>			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group.	COMPLIANT	<p><b>Provide information on how anti-takeover measures or similar devices were avoided by the board, if any.</b></p> <p>The rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets:</p> <ul style="list-style-type: none"> <li>a. Should be clearly articulated and disclosed so that investors understand their rights and are provided recourse.</li> <li>b. Transactions should occur at transparent prices and under fair conditions that protect the rights of all shareholders according to their class.</li> <li>c. Anti-take-over devices shall not be used to shield management from accountability.</li> </ul>	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	NON-COMPLIANT	<p><b>Indicate the company's public float.</b></p> <p>Public Ownership Report:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p> <p>PSE Edge Disclosure:  <a href="https://edge.pse.com.ph/companyPage/stockData.do?cmpy_id=117">https://edge.pse.com.ph/companyPage/stockData.do?cmpy_id=117</a></p>	As of December 31, 2022, the Company's public float is 10.23%.
<b>Optional: Principle 13</b>			
1. Company has policies and practices to encourage shareholders to engage with the company		<p><b>Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM.</b></p>	

beyond the Annual Stockholders' Meeting.			
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.		<b>Disclose the process and procedure for secure electronic voting in absentia, if any.</b>	
<b>Duties to Stakeholders</b>			
<b>Principle 14:</b> 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.			
<b>Recommendation 14.1</b>			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	COMPLIANT	<p><b>Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.</b></p> <p>Revised Manual on Corporate Governance, page 31:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p> <p>Top 100 Stockholders:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p> <p><b>POLICIES AND PROGRAMS FOR STAKEHOLDERS</b></p> <p>1. Customers' welfare</p> <p><b>Policy:</b>  It is the Company's policy to protect the interest of its customers/clients, promote their general welfare and establish standards of conduct for business and industry.</p> <p><b>Activities:</b></p> <ul style="list-style-type: none"> <li>Encourage the customers to provide feedback to be able to learn what they really want</li> </ul>	

		<ul style="list-style-type: none"> <li>• Provide a system that will suit the customers’ needs</li> <li>• Provide an open channel of communication with customers’ and clients</li> <li>• Handle customers’ complaints promptly and effectively</li> </ul> <p>2. Supplier/contractor selection practice</p> <p><b><u>Policy:</u></b> It is based on overall value for money. While price is important, the Company will always consider quality, reliability, safety, good design, timely delivery/performance, maintenance and after sales support before arriving at a decision which is the most economically advantageous to the Company.</p> <p><b><u>Activities:</u></b> Supplier qualification screening process:</p> <ul style="list-style-type: none"> <li>• Reference check</li> <li>• Financial status</li> <li>• Surge capacity availability</li> <li>• Indications of supplier quality</li> <li>• Ability to meet specifications</li> <li>• Environmental performance</li> </ul> <p>3. Environmentally friendly value-chain</p> <p><b><u>Policy:</u></b> The Company’s unending goal is to reduce, mitigate or eliminate any harmful effects on the environment.</p> <p><b><u>Activities:</u></b></p> <ul style="list-style-type: none"> <li>• Comply with all local, relevant environmental legislation</li> <li>• Apply best practices to manage disposal of wastes</li> <li>• Actively promote internal recycling programs</li> <li>• Encourage the efficient use of energy, utilities and natural</li> </ul>	
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		<p>resources</p> <ul style="list-style-type: none"> <li>• Educate and train the Company's employees for awareness of the relevant environmental issues</li> <li>• Organize several projects that will benefit the environment</li> </ul> <p>4. Community interaction</p> <p><b><u>Policy:</u></b> Radio being one of the key part of media, plays an integral role to play in the community. The Company is committed to be the conduits that improve social interaction, help develop citizens and promote their engagement in identifying and solving local, national, and international concerns.</p> <p><b><u>Activities:</u></b></p> <ul style="list-style-type: none"> <li>• Information: Create awareness in society of what is currently happening around the globe</li> <li>• Education: Educate the listeners by creating radio programs that are informative, educational and will broaden the listener's knowledge about certain topic.</li> <li>• Watch dog and surveillance: Follow-up society to issues like religion, politics and education, crimes and security issues.</li> <li>• Agenda setting: Presents to society issues yet to become public debates</li> <li>• Behavioral change agent: Represent and stand for society values, goals and culture.</li> <li>• Mobilization of society towards common goal: Can be used as mobilization campaign. Radio can be used to as early warning mechanism and then mobilize society for action during times of disasters.</li> <li>• Avenue for advertisement: Provide society with knowledge of products in the market.</li> <li>• Exposure: Connect the needy in society with the people or organizations who wish to help them deal with their problem.</li> </ul>	
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		<ul style="list-style-type: none"> <li>• Psychological support in society: Produce programs where people share problems with counsellors, doctors and get answers or solutions at no cost.</li> </ul> <p>5. Anti-corruption programs and procedures</p> <p><b><u>Policy:</u></b> Our Company's longstanding commitment to doing business with integrity means avoiding corruption in any form, including bribery, and complying with the anti-corruption laws of every country in which we operate. The Company's Code of Conduct and Anti-Bribery Policy provide guidance on how to conduct business in a fair, ethical and legal manner.</p> <p><b><u>Activities:</u></b> The Company's compliance program encompasses numerous reporting, monitoring and certification controls, as well as a critical education component comprising both web- based and in-person training.</p> <p>6. Safeguarding creditors' rights</p> <p><b><u>Policy:</u></b> The Company recognizes its obligations to its creditors. The Company plans to discharge the said obligation in the proper way in conformity with the terms of the obligation and with the requirements of the law and of the other legal acts, and in the absence of such terms and requirements in conformity with the customs of the business's turnover or with the other habitually presented demands of the creditors.</p>	
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		<p><b>Activities:</b> Respect creditors' right to information regarding the Company's financial status.</p>	
<b>Recommendation 14.2</b>			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	COMPLIANT	<p><b>Identify policies and programs for the protection and fair treatment of company's stakeholders.</b></p> <p>Please see Recommendation 14.1 of this report.</p>	
<b>Recommendation 14.3</b>			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	COMPLIANT	<p><b>Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights.</b></p> <p>The stakeholders may contact the Legal Department to voice their concerns and/or complaints for possible violation of their rights.</p> <p><b>1. Contact Person –</b> Atty. Rudolph Steve E. Jularbal</p> <p><b>2. Telephone number -</b> (02) 8832-6124</p> <p><b>3. E-mail address –</b> <a href="mailto:corp.sec@manilabroadcasting.com">corp.sec@manilabroadcasting.com</a></p> <p><b>Provide information on whistleblowing policy, practices and procedures for stakeholders.</b></p> <p>Company Policies – Whistle-blowing Policy: <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	



<b>Supplement to Recommendation 14.3</b>			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	COMPLIANT	<p><b><i>Provide information on the alternative dispute resolution system established by the company.</i></b></p> <p>Stockholders who have matters for discussion or concerns directly relating to the business of the Company may initially elevate such matters or concerns to:</p> <ul style="list-style-type: none"> <li>a. the Corporate Secretary;</li> <li>b. the Investor Relations Officer;</li> <li>c. Management; or</li> <li>d. the Board</li> </ul> <p>The Company complies with, abides and is guided by, the policy set forth in Republic Act No. 9285, otherwise known as the "Alternative Dispute Act of 2004", in handling conflicts of differences between the Company and third parties, including regulators, in that the Company considers and explores with the other party or parties involved mutually acceptable alternative means or procedures for resolving such dispute that are provided by law prior to resorting to court action, to the extent that such feasible and will not prejudice the rights and interests of the Company.</p>	
<b>Additional Recommendations to Principle 14</b>			
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	COMPLIANT	<p><b><i>Disclose any requests for exemption by the company and the reason for the request.</i></b></p> <p>The company did not request any exemption.</p>	

presents the specific steps being taken to finally comply with the applicable law, rule or regulation.			
2. Company respects intellectual property rights.	COMPLIANT	<p><b>Provide specific instances, if any.</b></p> <p>The Company respects intellectual property rights.</p> <p>The use of pseudonyms of our radio disk jockeys is an intellectual property of the Company.</p>	
<b>Optional: Principle 14</b>			
1. Company discloses its policies and practices that address customers' welfare.	COMPLIANT	<p><b>Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same.</b></p> <p>POLICY: It is the Company's policy to protect the interest of its costumers/clients, promote their general welfare and establish standards of conduct for business and industry.</p> <p>ACTIVITIES:</p> <ol style="list-style-type: none"> <li>a. Encourage the customers to provide feedback to be able to learn what they really want</li> <li>b. Provide a system that will suit the customers' needs</li> <li>c. Provide an open channel of communication with customers and clients</li> <li>d. Handle customers' complaints promptly and effectively</li> </ol>	
2. Company discloses its policies and practices that address supplier/contractor selection procedures.	COMPLIANT	<p><b>Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same.</b></p> <p>POLICY: Supplier/contractor selection is based on overall value for money. While</p>	

		<p>price is important, the Company will always consider quality, reliability, safety, good design, timely delivery/performance, maintenance and after sales support before arriving at a decision which is the most economically advantageous to the Company.</p> <p>ACTIVITIES:</p> <p>Supplier qualification screening process:</p> <ol style="list-style-type: none"> <li>Reference check</li> <li>Financial status</li> <li>Surge capacity availability</li> <li>Indications of supplier quality</li> <li>Ability to meet specifications</li> <li>Broadcasting equipment purchased has NTC permit to ensure that all equipment are type approved by the commission and are within the standard.</li> <li>Bribery and corruption – a memorandum has been issued to the suppliers that our company has zero tolerance for canvassers who asked for favor or commission in return for the total cost of approved purchase orders.</li> </ol>	
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**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	<p><b><i>Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.</i></b></p> <p>Revised Manual on Corporate Governance, page 32:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	
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**Supplement to Recommendation 15.1**

<p>1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.</p>	<p>COMPLIANT</p>	<p><b>Disclose if company has in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.</b></p> <p>The Company believes that it is the best interest of both the Company and the employees to fairly compensate the workforce for the value of the work provided. It is the Company’s intention to use a compensation system that will determine the current market value of a position based on the skills, knowledge and behaviors required of a fully competent employee. The system used will be objective and non-discriminatory in theory, application and practice. The company has determined that this can best be accomplished by using a professional assessment and system recommended by executive/senior management and approved by the Board of Directors.</p> <p>The Company has a clear and compelling strategy for implementing a well-thought-out total reward/compensation plan to attract, retain and motivate key talent. This total reward strategy integrates key components including:</p> <ul style="list-style-type: none"> <li>• Total compensation</li> <li>• Benefits</li> <li>• Work-life balance</li> </ul>	
<p>2. Company has policies and practices on health, safety and welfare of its employees.</p>	<p>COMPLIANT</p>	<p><b>Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any.</b></p> <p>a. The health, safety and welfare of all its employees while they are at work (in whatever operation or location, whether on site or in transit on authorized business), of visitors to Company premises and operations and of others who may be affected by its actions.</p>	

		<ul style="list-style-type: none"> <li>b. The provision of safe systems of work that are without risks to health with necessary supervision and control mechanisms to ensure health &amp; safety.</li> <li>c. The maintenance of a working environment that is safe and without risks to health and the provision of adequate facilities and arrangements for welfare at work.</li> <li>d. The provision of plant, machinery, equipment and vehicles, whether owned or hired in conditions that are safe and without risks to health and to provide systems for inspections and preventative maintenance to ensure safe conditions.</li> <li>e. Those arrangements are in place for ensuring safety and absence of risks to health in connection with the use, handling, storage and transportation of articles and substances.</li> <li>f. The provision of such information, instruction, training and supervision necessary to ensure the health &amp; safety at work of employees, and information to contractors and others who may be affected by the Company's operation or products.</li> <li>g. The provision of a safe means of access to, movement within and egress from places of work.</li> <li>h. Co-operation with and involvement of employees in meeting health &amp; safety objectives.</li> <li>i. Adequate facilities such as clinic, toilets, meal areas and first aid services are provided.</li> <li>j. The Company doctor and the company nurse are always on stand-by to attend the medical needs of employees or any emergency situation of employees while they are at work.</li> </ul>	
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<p>3. Company has policies and practices on training and development of its employees.</p>	<p>COMPLIANT</p>	<p><b><i>Disclose and provide information on policies and practices on training and development of employees. Include information on any training conducted or attended.</i></b></p> <p>The company is committed on the ongoing development of its employees in line with its business and corporate objectives and appreciates its employees' desire to acquire new knowledge and skills and master new technology. The Company sees it as its mission to create a continuous education system for employees and management personnel at all levels, from rank-and-file employees to top managers.</p> <p>Training and development programs offered by the Company focus on three main areas:</p> <ul style="list-style-type: none"> <li>a. Professional training programs designed to improve knowledge and skills for specific positions and functions.</li> </ul>	

		b. Corporate management competence development programs.	
<b>Recommendation 15.2</b>			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	COMPLIANT	<p><b>Identify or provide link/reference to the company's policies, programs and practices on anti-corruption.</b></p> <p>POLICY: Our Company's long-standing commitment to doing business with integrity means avoiding corruption in any form, including bribery, and complying with the anti-corruption laws of every country in which we operate. The Company's Code of Conduct and Anti-Bribery Policy provide guidance on how to conduct business in a fair, ethical and legal manner.</p> <p>ACTIVITIES: The Company's compliance program encompasses numerous reporting, monitoring and certification controls, as well as a critical education component comprising both web-based and in-person training.</p>	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	NON-COMPLIANT	<p><b>Identify how the board disseminated the policy and program to employees across the organization.</b></p>	The company encourage the reporting of serious grievances or alleged breaches of company policy.
<b>Supplement to Recommendation 15.2</b>			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	COMPLIANT	<p><b>Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices.</b></p> <p><b>Include any finding of violations of the company policy.</b></p> <p>Violations on the following prescribed behavior:</p> <ul style="list-style-type: none"> <li>• Attendance &amp; Punctuality</li> <li>• Work Performance</li> <li>• Employee Behavior</li> </ul>	

		<ul style="list-style-type: none"> <li>• Confidentiality of Work and Information</li> <li>• Conflict of Interest</li> <li>• Use of Company Property</li> <li>• Hiring and/or Assignment of Relatives</li> <li>• Voluntary Separation</li> </ul> <p>SANCTIONS:</p> <p>For Officers/Senior Management and Employees:</p> <p>The Company's Code of Business Conduct and Ethics prescribes the proper and correct conduct of employees and Senior Management of the Company.</p> <p>The policy includes a guide in imposing disciplinary actions to employees and Senior Management with sanctions and penalties ranging from verbal counseling, written reprimand, suspension or dismissal, depending on the gravity of the offense committed.</p>	
<b>Recommendation 15.3</b>			
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	<p><b><i>Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees. Indicate if the framework includes procedures to protect the employees from retaliation. Provide contact details to report any illegal or unethical behavior.</i></b></p> <p>Whistle-blowing Policy:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	
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	COMPLIANT		



created to handle whistleblowing concerns.			
3. Board supervises and ensures the enforcement of the whistleblowing framework.	COMPLIANT	<p><b><i>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.</i></b></p> <p>It is Company's policy that all individuals working at all levels within the Company, including directors, officers, employees to disclose any information that relates to suspected wrongdoing or dangers at work. This may include:</p> <ul style="list-style-type: none"> <li>a. criminal activity;</li> <li>b. miscarriages of justice;</li> <li>c. danger to health and safety;</li> <li>d. damage to the environment;</li> <li>e. failure to comply with any legal or professional obligation or regulatory requirements;</li> <li>f. bribery;</li> <li>g. financial fraud or mismanagement;</li> <li>h. negligence;</li> <li>i. breach of internal policies and procedures (including the Company's Code of Conduct);</li> <li>j. conduct likely to damage the Company's reputation;</li> <li>k. unauthorized disclosure of confidential information;</li> <li>l. any conduct that may have a detrimental effect on the well-being of staff or the Company; and the deliberate concealment of any of the above matters.</li> </ul> <p>All concerns raised will be treated in confidence and every effort will be made not to reveal the identities of the whistle blower if this is his/her wish. However, in certain cases, it may not be possible to maintain confidentiality if the whistle blower is required to come forward as a witness. Once the claim of malpractice or misconduct is made, the manager, senior manager or the designated executive will respond to the whistle blower within 10 working days setting out the intended investigation plan. An investigation</p>	

		may include internal reviews, reviews by the external auditors or lawyers or some other external body. If the claim of malpractice or misconduct is substantiated, appropriate disciplinary action will be taken against the responsible individual(s) up to and including termination of employment. The malicious use of the whistle blowing policy will result in disciplinary action against the whistle blowing complainant, up to and including termination of employment.	
<b>Principle 16:</b> 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.			
<b>Recommendation 16.1</b>			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	COMPLIANT	<p><b><i>Provide information or reference to a document containing information on the company's community involvement and environment-related programs.</i></b></p> <p>Sustainability Report:  <a href="https://manilabroadcasting.com.ph/investrelations/">https://manilabroadcasting.com.ph/investrelations/</a></p>	
<b>Optional: Principle 16</b>			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development.	COMPLIANT	<p><b><i>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.</i></b></p> <p>POLICY:  The Company's unending goal is to reduce, mitigate or eliminate any harmful effects on the environment.</p>	

		<p>ACTIVITIES:</p> <ul style="list-style-type: none"> <li>a. comply with all local, relevant environmental legislation</li> <li>b. apply best practices to manage disposal of wastes</li> <li>c. actively promote internal recycling programs</li> <li>d. encourage the efficient use of energy, utilities and natural resources</li> <li>e. educate and train the Company's employees for awareness of the relevant environmental issues</li> <li>f. organize several projects that will benefit the environment</li> </ul>	
<p>2. Company exerts effort to interact positively with the communities in which it operates.</p>	COMPLIANT	<p><b><i>Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.</i></b></p> <p>POLICY: Radio being one of the key part of media, plays an integral role to play in the community. The company is committed to be the conduits that improve social interaction, help develop citizens and promote their engagement in identifying and solving local, national, and international concerns.</p> <p>ACTIVITIES:</p> <ul style="list-style-type: none"> <li>a. Information: Create awareness in society of what is currently happening around the globe.</li> <li>b. Education: Educate the listeners by creating radio programs that are informative, educational and will broaden the listener's knowledge about certain topic.</li> <li>c. Watch dog and surveillance: Follow-up society to issues like religion, politics and education, crimes and security issues.</li> <li>d. Agenda setting: Presents to society issues yet to become public debates.</li> <li>e. Behavioral change agent: Represent and stand for society values, goals and culture.</li> <li>f. Mobilization of society towards common goal: Can be used as mobilization campaign. Radio can be used to as early warning mechanism and then mobilize society for action during times of disasters.</li> </ul>	

		<ul style="list-style-type: none"><li>g. Avenue for advertisement: Provide society with knowledge of products in the market.</li><li>h. Exposure: Connect the needy in society with the people or organizations who wish to help them deal with their problem.</li><li>i. Psychological support in society: Produce programs where people share problems with counsellors, doctors and get answers or solutions at no cost.</li></ul>	
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CHIEF EXECUTIVE OFFICER AND CHIEF AUDIT EXECUTIVE ATTESTATION

In accordance with MANILA BROADCASTING COMPANY's corporate governance and compliance policies, and on the basis of the assurance activities performed by the Company's Audit Committee and its external auditor for the year 2022, we assess that the Company's system of internal controls, risk management and governance processes are in place and continue to be adequate and generally effective, in all material respects. These processes ensure the integrity, transparency and proper governance in the conduct of the Company's affairs and provide a level of assurance that enables the Management of the Company to recognize, understand, manage and effectively control its exposure to risk. We likewise confirm that the audit scope and coverage are sufficient, comprehensive and risk-based, that Management is aware of its responsibility for internal control, and that there is no interference with the accomplishment of audit activities and reporting of relevant issues and other pertinent information to the Audit Committee and the Board of Directors.

This attestation is signed in behalf of the registrant by the undersigned, thereunto duly authorized, in the City of MANILA CITY on MAY 30 2023

By:

FEDERICO J. ELIZALDE
Chairman of the Board / CEO

MARVEL K. TAN
Chief Audit Executive / Independent Director

MAY 30 2023

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_, affiants exhibiting to me their Community Tax Certificates and OSCA ID as follows:

Table with 4 columns: NAMES, CTC / ID, DATE OF ISSUE, PLACE OF ISSUE. Rows include FEDERICO J. ELIZALDE and MARVEL K. TAN.

Doc. No.: 141
Page No.: 27
Book No.: 17
Series of 2023.

ATTY. HENRY D. ADASA
NOTARY PUBLIC - CITY OF MANILA
APPOINTMENT 107/12/31/2023 MANILA
TBP NO. 121139 / 01/03/2023
PTR N. 0861145 / 01/03/2023
ROLL NO. 29679, TIN NO. 172-528-620
MCLE COMP. NO. VII-0000165 VALID UNTIL APRIL 14, 2025
24 1411 TAYUMAN ST., STA. CRUZ, MANILA

**SELECTION / APPOINTMENT, RE-ELECTION, DISQUALIFICATION, REMOVAL, REINSTATEMENT AND SUSPENSION**

PROCEDURE	PROCESS ADOPTED	CRITERIA
<b>a. Selection / Appointment</b>		
❖ Executive Directors	<ul style="list-style-type: none"> <li>• Assess the current Board’s skills, experience, and expertise to identify the skills that would best increase Board effectiveness.</li> <li>• Assess the needs of the business currently and going forward. The Board should be structured in a way that it:               <ul style="list-style-type: none"> <li>○ has a proper understanding of, and competence to deal with, the current and emerging issues of the business</li> <li>○ Exercises independent judgment</li> <li>○ Encourages enhanced performance of the Company</li> <li>○ Can effectively review and challenge the performance of management</li> </ul> </li> <li>• Develop selection criteria for potential board candidates.</li> <li>• Informal discussion by the Board to generate a list of potential candidates who may fill the stated criteria.</li> <li>• Measure the final potential candidate(s) against the selection criteria.</li> <li>• The Board examines the final list of candidate(s) and agrees an order of preference.</li> </ul>	<ul style="list-style-type: none"> <li>• Competencies and qualifications</li> <li>• Independence</li> <li>• Other directorships held (previously and currently)</li> <li>• Time availability</li> <li>• Contribution to the overall balance of the composition of the Board</li> <li>• Depth of understanding of the role and legal obligations of a director</li> </ul>
❖ Independent Directors		<ul style="list-style-type: none"> <li>• Not a director or officer or substantial stockholder of the Company or of its related companies or any of its substantial shareholders (other than as an independent director of any of the foregoing).</li> <li>• Not a relative of any director, officer, or substantial shareholder of the company, any of its related companies or any of its substantial shareholder.</li> <li>• Not acting as a nominee or representative of a substantial shareholder of the company, any of its related companies or any of its substantial shareholders.</li> <li>• Not been employed in any executive capacity by that public company, any of its related</li> </ul>

	<ul style="list-style-type: none"> <li>• Chairman approaches desired candidate(s).</li> <li>• Candidate is appointed to the Board.</li> <li>• Appointment is announced to the various stock exchanges.</li> <li>• Appointment is ratified by shareholders at the Annual Stockholders' Meeting. The names of candidates submitted for election as directors should be accompanied by the following information to enable shareholders to make an informed decision: <ul style="list-style-type: none"> <li>○ Biographical details, including competencies and qualifications and information sufficient to enable an assessment of the independence of the candidate.</li> <li>○ Details of relationship between: <ul style="list-style-type: none"> <li>▪ The candidate and the company.</li> <li>▪ The candidate and the directors of the company.</li> </ul> </li> <li>○ Directorships held.</li> <li>○ Particulars of other positions which involve significant time commitments.</li> <li>○ The term of office currently served by any directors subject to re-election.</li> </ul> </li> </ul> <p>Any other particulars required by law.</p>	<p>companies or any of its substantial shareholders within the last two (2) years.</p> <ul style="list-style-type: none"> <li>• Not retained as professional adviser by that public company, any of its related companies or any of its substantial shareholders within the last two (2) years, either personally or through his firm.</li> <li>• Not engaged and does not engage in any transaction with the company, or with any of its related companies or with any of its substantial shareholders, whether by himself or with other persons or through firm of which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arm's length and are immaterial or insignificant.</li> <li>• Not an owner of more than two percent (2%) of the outstanding shares of the company, its subsidiaries, associates, affiliates, or related companies.</li> <li>• Not employed as an executive officer of another company where any of the company's executives serve as directors.</li> </ul>
<b>b. Re-appointment</b>		
❖ Executive Directors	The re-appointment of directors will not be automatic. The Board will ensure planned and progressive refreshing of the board. Every director shall retire from office at each annual	<ul style="list-style-type: none"> <li>• Competencies and qualifications</li> <li>• Independence</li> <li>• Other directorships held (previously and currently)</li> </ul>
❖ Independent Directors		

	<p>general meeting. A director who retires at an annual general meeting may, if willing to act, be re-appointed. If he is not re-appointed or deemed re-appointed, he may retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.</p> <ul style="list-style-type: none"> <li>• Assess the current Board’s skills and qualities.</li> <li>• Assess the needs of the business currently and going forward.</li> <li>• Develop criteria required.</li> <li>• Measure each retiring director’s skills against the criteria.</li> <li>• Directors discuss and agree whether each retiring director should stand for re-election.</li> <li>• If recommended for re-appointment, each retiring director stands for re-election at the shareholder meeting in accordance with the Constitution and the listing rules. Otherwise, the new director selection process commences. The names of candidates submitted for election as directors should be accompanied by the following information to enable shareholders to make an informed decision: <ul style="list-style-type: none"> <li>○ Biographical details, including competencies and qualifications and information sufficient to enable an assessment of the independence of the candidate.</li> <li>○ Details of relationships between: <ul style="list-style-type: none"> <li>▪ The candidate and the company</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Time availability</li> <li>• Contribution to the overall balance of the composition of the Board</li> <li>• Depth of understanding of the role and legal obligations of a director</li> </ul>
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	<ul style="list-style-type: none"> <li>▪ The candidate and the directors of the company</li> <li>○ Directorships held.</li> <li>○ Particulars of other positions which involve significant time commitments.</li> <li>○ The term of office currently served by any directors subject to re-election.</li> <li>○ Any other particulars required by law.</li> </ul>	
<b>c. Permanent and Temporary Disqualification</b>		
❖ Executive Directors	<ul style="list-style-type: none"> <li>• An application will need to be made to the Court. Depending on the nature of the director's alleged offenses, this can be either the Criminal or Civil Court.</li> <li>• Before an application is made, an investigation will need to be carried out by the relevant body to determine the case against the director(s) in question.</li> <li>• Following the submission of the disqualified directors order application to the relevant Court, a date will be set by the Court for a hearing in front of a registrar.</li> <li>• Before the Court makes its final decision, the defendant will be given a chance to defend their actions.</li> <li>• If the Court grants a Director's Disqualification Order, the person in question is bound to abide by it for the duration of the order.</li> <li>• A temporary disqualified director shall, within sixty (60) business days from such</li> </ul>	<p>The following are <u>permanently</u> disqualified to become a director of the company:</p> <ul style="list-style-type: none"> <li>• Any person who has been convicted by final judgment by a court for offenses involving dishonesty or breach of trust such as fraud, estafa, counterfeiting, misappropriation, embezzlement, extortion, forgery, bribery, false affirmation, perjury, malversation, swindling, theft, and other fraudulent acts.</li> <li>• Any person who has been judicially declared insolvent, spendthrift or incapacitated to contract.</li> <li>• Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that: <ul style="list-style-type: none"> <li>○ Involves the purchase or sale of securities as defined in the Securities Regulation Code (SRC);</li> <li>○ Arises out of the person's conduct as underwriter, broker, dealer, investment adviser, principal,</li> </ul> </li> </ul>
❖ Independent Directors		

	<p>disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.</p>	<p>distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker;</p> <ul style="list-style-type: none"> <li>○ Arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliate person or any of them.</li> </ul> <ul style="list-style-type: none"> <li>● Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Securities and Exchange Commission (SEC) or any court or administrative body of competent jurisdiction from: <ul style="list-style-type: none"> <li>○ Acting as underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker;</li> <li>○ Acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company;</li> <li>○ Engaging in or continuing any conduct or practice in any of the above capacities mentioned above, or willfully violating the laws that govern securities and banking activities.</li> </ul> </li> <li>● Any person who has been adjudged by final judgment or order of the SEC, court or competent administrative body to have</li> </ul>
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		<p>willfully violated, or willfully aided, abetted, counselled, induced or procured the violation of any provision of the Revised Corporation Code, SRC, or any other law administered by the SEC or any of its implementing rules, regulations or orders.</p> <ul style="list-style-type: none"><li>• 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 above.</li><li>• Any person convicted 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.</li><li>• Any person who is an officer, manager, or controlling person of, or the owner (either of record or beneficially) of 10% or more of any outstanding class of shares of any company (other than one in which the company owns at least 30% of the capital stock) engaged in a business which the Board, by at least three-fourths vote, determines to be competitive or antagonistic to that of the company.</li><li>• Any person who is an officer, manager or controlling person of, or the owner (either of record or beneficially) of 10% or more of any outstanding class of shares of any other company or entity engaged in any line of business of the company, when in the judgment of the Board, by at least three-</li></ul>
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		<p>fourths vote, the laws against combinations in restraint of trade shall be violated by such person's membership in the Board of Directors.</p> <ul style="list-style-type: none"><li>• If the Board, in the exercise of its judgment in good faith, determines by at least three-fourths vote that he is the nominee of any person set forth in the preceding 2 paragraphs.</li></ul> <p>The following are <u>temporarily</u> disqualified from holding a director position in the company:</p> <ul style="list-style-type: none"><li>• Any person who refuses to comply with the disclosure requirements of the SRC and its implementing rules and regulations. The disqualification shall be in effect as long as the refusal persists.</li><li>• Any director who has been absent or have not participated in more than fifty percent (50%) of all regular and special meetings of the Board of Directors during his incumbency or any twelve (12) month period during said incumbency, and any director who failed to physically attend at least twenty five percent (25%) of all board meetings in any year, unless the absence is due to illness, death in the immediate family or serious accident. This disqualification shall apply for purposes of the succeeding election.</li><li>• Any person who is delinquent in the payment of his financial obligations and those of his</li></ul>
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		<p>related interests. The disqualification shall be in effect as long as the deficiency persists.</p> <ul style="list-style-type: none"><li>• Any person convicted for offenses involving dishonesty or breach of trust or violation of banking laws but whose conviction has not yet become final and executory.</li><li>• Any director disqualified for failure to observe/discharge his duties and responsibilities prescribed under existing regulations. The disqualification applies until the lapse of the specific period of disqualification or upon approval by the Board.</li><li>• Any person dismissed/terminated from employment for cause. The disqualification shall be in effect until the person concerned has cleared himself of involvement in the alleged irregularity.</li><li>• If the beneficial equity ownership of an independent director in the company or its subsidiaries and affiliates exceed two percent (2%) of its subscribed capital stock. The disqualification from being elected as an independent director is lifted if the limit is later complied with.</li><li>• Any person under preventive suspension.</li><li>• Any person with derogatory records with law enforcement agencies. The disqualification shall be in effect until the person concerned has cleared himself of involvement in the alleged irregularity.</li><li>• If the independent director becomes an officer or employee of the same company, he</li></ul>
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		<p>shall be automatically disqualified from being an independent director.</p> <ul style="list-style-type: none"> <li>• If the beneficial equity ownership of an independent director in the company or its affiliates exceed the ten percent (10%) limit.</li> <li>• If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.</li> </ul>
<b>d. Removal</b>		
<ul style="list-style-type: none"> <li>❖ Executive Directors</li> <li>❖ Independent Directors</li> </ul>	<p>Any director of the Company may be removed from office by a vote of the stockholders holding or representing at least two-thirds (2/3) of the outstanding capital stock, or if the company be a non-stock company, by a vote of at least two-thirds (2/3) of the members entitled to vote; Provided that such removal shall take place either at a regular meeting of the company or at a special meeting called for the purpose, and in either case, after previous notice to stockholders or members of the company of the intention to propose such removal of the meeting. A special meeting of the stockholders or members of a company for the purpose of removal of directors must be called by the secretary on order of the president or on the written demand of the stockholders representing or holding at least a majority of the outstanding capital stock.</p>	<ul style="list-style-type: none"> <li>• Failure to take up a share qualification required by the Articles within two months of the appointment.</li> <li>• The director reaches the relevant age limit</li> <li>• The director becomes bankrupt</li> <li>• The director is disqualified from being a director by a court order</li> <li>• If the director resigns</li> <li>• If the director is absent from board meetings for a specified period (typically six months)</li> <li>• If the director becomes bankrupt or makes any compromise or arrangement with his creditors generally</li> <li>• If the director suffers from mental disorder</li> <li>• If the director is disqualified</li> </ul>
<b>e. Reinstatement</b>		
<ul style="list-style-type: none"> <li>❖ Executive Directors</li> <li>❖ Independent Directors</li> </ul>	<ul style="list-style-type: none"> <li>• An excluded, suspended, or resigned director shall not resume his/her position or practice of profession before the Office unless otherwise reinstated by order of the Board of Directors.</li> </ul>	<ul style="list-style-type: none"> <li>• That the excluded director has the good moral character and reputation, competency, and learning in his/her profession required for admission.</li> </ul>

	<ul style="list-style-type: none"><li>• An excluded or suspended director shall be eligible to apply for reinstatement only upon expiration of the period of suspension or exclusion.</li><li>• A suspended director shall be eligible to apply for reinstatement no earlier than at least five years from the effective date of the suspension.</li><li>• If the suspended director is not eligible for reinstatement, or if the Board determines that the petition is insufficient or defective on its face, the Board may dismiss the petition. Otherwise, the Board shall consider the petition for reinstatement. The suspended director seeking reinstatement shall have the burden of proof by clear and convincing evidence.</li><li>• If the suspended director is found to unfit to resume his/her position or the practice of profession before the office, the Board shall first provide the suspended director with an opportunity to show cause in writing why the petition should not be denied.</li><li>• If a petition for reinstatement is denied, no further petition for reinstatement may be filed until the expiration of at least one year following the denial unless the order of denial provides otherwise.</li><li>• Proceedings on any petition for reinstatement shall be open to the public. Before reinstating any suspended director, the Board shall publish a notice of the suspended director's petition for</li></ul>	<ul style="list-style-type: none"><li>• That the resumption of position before the Office will not be detrimental to the administration of justice or subversive to the public interest.</li></ul>
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	<p>reinstatement and shall permit the public a reasonable opportunity to comment or submit evidence with respect to the petition for reinstatement.</p>	
<p><b>f. Suspension</b></p>		
<ul style="list-style-type: none"> <li>❖ Executive Directors</li> </ul>	<p>There are mainly three reasons why the Company may suspend a director:</p>	<ul style="list-style-type: none"> <li>• The director has willfully and knowingly committed any substantial violation of the company’s code, or any regulation issued by the company.</li> </ul>
<ul style="list-style-type: none"> <li>❖ Independent Directors</li> </ul>	<ul style="list-style-type: none"> <li>• The director may be suspended as a disciplinary sanction (punitive suspension) following a disciplinary hearing. As much suspension is the outcome or penalty of being found guilty in a disciplinary hearing.</li> <li>• The director may be suspended as a preventive action (precautionary) pending a hearing. This is done to ensure that evidence needed for the hearing is not tampered with and/or that other employees (in some cases these may be witnesses) are not intimidated.</li> <li>• The director may be suspended as a preventive action (precautionary) pending a disciplinary hearing in order to protect the Company’s property or for safety reasons.</li> </ul> <p>The process followed when considering the suspension of director:</p> <ul style="list-style-type: none"> <li>• Management should develop clear procedures to manage suspensions. These procedures should ensure the management of suspensions in an efficient and effective way and that the rules of natural justice are adhered to.</li> <li>• The board should apply its mind as to whether there are grounds for suspending</li> </ul>	<ul style="list-style-type: none"> <li>• Has willfully and knowingly committed, engaged, or abetted any act, omission, or practice which constitutes a substantial breach of a fiduciary duty of that person as a director.</li> <li>• The violation or breach of fiduciary duty is one involving personal dishonesty on the part of such director.</li> <li>• The director does not possess the required qualifications or competence to represent others.</li> <li>• Seriously lacking in character or integrity or to have engaged in material unethical or improper professional conduct.</li> <li>• Have caused unfair and material injury or prejudice to another party, such as prejudicial delay or unnecessary expenses.</li> <li>• Have engaged in contemptuous conduct before the company.</li> <li>• With the intent to defraud in any manner, to willfully and knowingly deceived, misled or threatened any client or prospective client.</li> </ul>



	<p>the director based on the seriousness of the transgression, and then consider whether the director should be allowed to continue his/her substantive duties.</p> <ul style="list-style-type: none"><li>• If there are grounds for suspension, the Board should, based on the unique circumstances around each case, consider the forms of suspension (temporary removal from the place work of work or from nature of work).</li><li>• The Board should schedule a meeting with the director. He/she should be informed of the following:<ul style="list-style-type: none"><li>○ Date, time, and venue of the meeting</li><li>○ Proposed action by the employer</li><li>○ Allegations that gave rise to the proposed action</li><li>○ During the meeting, he/she will be afforded the opportunity to make representations as to why he/she should not be suspended</li><li>○ He/she has the right to be represented as provided for in the disciplinary code and procedures</li><li>○ Should he/she fail to avail him/herself of the opportunity to make representations at the meeting, he/she will be given the opportunity to submit written representations by a certain time and date</li></ul></li><li>• The director's representations, if any, should be carefully considered by the delegated</li></ul>	
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	<p>member of the board to ensure that there is sufficient evidence or legitimate reasons for the transfer/suspension.</p> <ul style="list-style-type: none"><li>• Once a final decision has been made, the decision should be conveyed to the director in writing and the notice should contain the following:<ul style="list-style-type: none"><li>○ The decision by the board</li><li>○ The reasons why the board saw it fit to transfer/suspend the director, based on the representations made by the director</li><li>○ The possible length of the transfer/suspension</li><li>○ The conditions to access to the workplace, and other conditions, during the course of suspension</li></ul></li></ul>	
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**INTERNAL AUDIT**

**I. Role, Scope, and Internal Audit Functions**

<b>ROLE</b>	<b>SCOPE</b>	<b>IN-HOUSE OR OUTSOURCE INTERNAL AUDIT FUNCTION</b>	<b>NAME OF CHIEF INTERNAL AUDITOR</b>	<b>REPORTING PROCESS</b>
Evaluating the reliability and integrity of information and the means used to identify, measure, classify, and report such information.	All financial, managerial, and operating information and the means used to identify, measure, classify, and report such information is accurate, reliable, and timely.	In-house	Mr. Marvel K. Tan	Quarterly
Evaluating the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on the organization.	Compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on the organization.	In-house	Mr. Marvel K. Tan	Annual
Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets.	All company assets	In-house	Mr. Marvel K. Tan	Annual
Evaluating the effectiveness and efficiency with which resources are employed.	All resources	In-house	Mr. Marvel K. Tan	As needed

Evaluating 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.	All key operations or programs	In-house	Mr. Marvel K. Tan	As needed
Monitoring and evaluating governance processes	Includes reviewing the quality and continuous improvement program fostered in the organization's control process and interacting with related groups as needed.	In-house	Mr. Marvel K. Tan	Annual
Monitoring and evaluating the effectiveness of the organization's risk management processes.	All risk management processes	In-house	Mr. Marvel K. Tan	Annual
Evaluating the quality of performance of external auditors and the degree of coordination with internal audit.	Based on the leading practices' criteria, as approved by Audit Committee	In-house	Mr. marvel K. Tan	Annual
Performing consulting and advisory services related to governance, risk management and control as appropriate for the organization.	Non-assurance services related to governance, risk management and control as appropriate for the organization.	In-house	Mr. Marvel K. Tan	As needed

Reporting periodically on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan.	Based on the leading practices' criteria, as approved by the Audit Committee.	In-house	Mr. Marvel K. Tan	Quarterly / Annually
Reporting the significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by the Board.	All risk exposures and control issues including fraud risks, governance issues, and other matters needed or requested by the Board.	In-house	Mr. Marvel K. Tan	As needed
Monitoring all significant legislative and/or regulatory issues are properly recognized and addressed.	All impacting the organization	In-house	Mr. Marvel K. Tan	Quarterly
Evaluating specific operations at the request of the Board or management, as appropriate.	Based on the request of the sponsor	In-house	Mr. Marvel K. Tan	As needed

**II. Audit Control Policies and Procedures**

<b>POLICIES AND PROCEDURES</b>	<b>IMPLEMENTATION</b>
Provide an objective and independent evaluation of the adequacy, efficiency, and effectiveness of management controls over the Company's financial, human and physical resources.	In order to make an objective assessment of the effectiveness and efficiency of internal controls, the Board and the Management developed a set of criteria that will serve as a basis for making judgments.
Monitor and evaluate risk management procedures and internal controls, and ensure financial and operational risks are understood and appropriately managed.	The Company's internal control system and risk management procedures are regularly monitored and evaluated. Management ensures that regular communication regarding the internal control systems, as well as the outcomes, takes place at all levels within the Company to make sure that the internal control principles are fully understood and correctly applied by all.
Advise stakeholders of findings and recommendations regarding significant risks, performance and governance issues. Also, identify business, finance and internal control/business system risks to key decision-makers.	Chairman of the Board will encourage discussion of risk management and internal control issues during board meeting, as appropriate as an additional item to the normal board agenda.
Determine the extent to which Company assets are accounted for and safeguarded from losses of all kinds and to verify the existence of assets.	<p>Internal auditors will review the means of safeguarding assets and, as appropriate, verify the existence of such assets.</p> <ul style="list-style-type: none"> <li>• Internal auditors will review the means used to safeguard assets from various types of losses such as those resulting from theft, fire, improper or illegal activities, and exposure to elements.</li> <li>• Internal auditors, when verifying the existence of assets, will use appropriate audit procedures.</li> </ul>
Monitor whether organizational units are operating in compliance with Company policies and procedures, national laws and regulations, contractual obligations and sound business practices.	Internal auditors will review 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 should determine whether the organization is in compliance.

	<ul style="list-style-type: none"> <li>• Management is responsible for establishing the systems designed to ensure compliance with such requirements as policies, plans, procedures, and applicable laws and regulations. Internal auditors are responsible for determining whether the systems are adequate and effective and whether the activities audited are complying with the appropriate requirements.</li> </ul>
Review operations or programs to ascertain whether results are consistent with established objectives and goals and are being carried out as planned.	Internal auditors will ascertain whether such objectives and goals conform to those of the organization and whether they are being met.
Review the reliability, integrity and adequacy of financial and operating information and the means in use to identify, measure, classify and report information.	<p>Internal auditors will review the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information. Information systems provide data for decision-making, control, and compliance with external requirements. Therefore, internal auditors examine information systems and, as appropriate, ascertain whether:</p> <ul style="list-style-type: none"> <li>• Financial and operating records and reports contain accurate, reliable, timely, complete, and useful information.</li> <li>• Controls over record keeping and reporting are adequate and effective.</li> </ul>
Execute audits of specific areas or functions in accordance with generally accepted auditing standards as required from time to time.	Internal auditor plans, conducts and reports result of an audit in accordance with generally accepted auditing standards. These standards provide a measure of audit quality and the objectives to be achieved in an audit.
Enhance the transparency and accountability of the Company's fiscal operations by making available the work of the Internal Auditor to external auditors in their examination of the Company's financial records and the annual financial statements.	Key information are appropriately disclosed to the Company's external auditors so that they have the necessary facts about the Company's performance and operations.

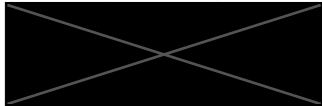
# SIGNATURES

Pursuant to the requirements of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of MANILA CITY on MAY 30 2023.

By:



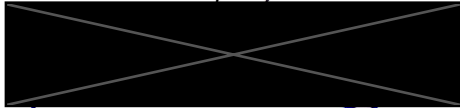
**FEDERICO J. ELIZALDE**  
*Chairman of the Board*



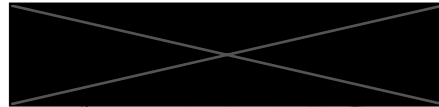
**RUPERTO S. NICDAO, JR.**  
*President*



**EDUARDO G. CORDOVA**  
*SVP – CFO*



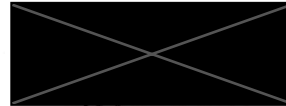
**GEORGE T. GODUCO**  
*Independent Director*



**MARVEL K. TAN**  
*Independent Director*



**RUDOLPH STEVE E. JULARBAL**  
*VP-Legal / Corporate Secretary*



**ROBERT PUA**  
*VP-Controller / Compliance Officer*

SUBSCRIBED AND SWORN to before me this MAY 30 2023, affiants exhibiting to me their Community Tax Certificates and ID as follows:

NAMES	CTC / ID	DATE OF ISSUE	PLACE OF ISSUE
FEDERICO J. ELIZALDE	[REDACTED]	January 12, 2023	Pasay City
RUPERTO S. NICDAO, JR.	[REDACTED]	January 12, 2023	Pasay City
EDUARDO G. CORDOVA	[REDACTED]	January 12, 2023	Pasay City
GEORGE T. GODUCO	[REDACTED]	Expiry – April 12, 2024	Makati City
MARVEL K. TAN	[REDACTED]	June 9, 2014	Quezon City
ROBERT PUA	[REDACTED]	January 26, 2023	Pasay City
RUDOLPH STEVE E. JULARBAL	[REDACTED]	January 9, 2023	Pasay City

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Series of 2023.

**ATTY. HENRY D. ADASA**  
NOTARY PUBLIC CITY OF MANILA  
APPOINTMENT 31/2023 MANILA  
IBP NO. 7/01/03/2023  
PTR: 7/01/03/2023  
ROLL NO. TIN NO.  
MCLE COMP. NO. VALID UNTIL APRIL 14, 2025