

**SECURITIES AND EXCHANGE COMMISSION**  
**SEC FORM - I-ACGR**

**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**

1. For the fiscal year ended  
Dec 31, 2021
2. SEC Identification Number  
12942
3. BIR Tax Identification Number  
000-104-320-000
4. Exact name of issuer as specified in its charter  
Marcventures Holdings Inc.
5. Province, country or other jurisdiction of incorporation  
Metro Manila, Philippines
6. Industry Classification Code(SEC Use Only)
  
7. Address of principal office  
4th Floor BDO Towers Paseo (formerly Citibank Center), 8741 Paseo de Roxas, Makati  
City  
Postal Code  
1227
  
8. Issuer's telephone number, including area code  
632-88314479
  
9. Former name, former address, and former fiscal year, if changed since last report  
-

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

# Marcventures Holdings, Inc.

## MARC

**PSE Disclosure Form I-ACGR - Integrated Annual Corporate Governance Report**  
**Reference: SEC Code of Corporate Governance for Publicly-Listed Companies, PSE**  
**Corporate Governance Guidelines, and ASEAN Corporate Governance Scorecard**

### Description of the Disclosure

PLEASE SEE ATTACHED INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT FOR THE YEAR 2021.

### Filed on behalf by:

<b>Name</b>	Maila Lourdes De Castro
<b>Designation</b>	Co-Assistant Corporate Secretary/Co-Compliance Officer/Corporate Information Officer/Data Privacy Officer/Vice-President and Head of Legal

# COVER SHEET

1 2 9 4 2

SEC Registration  
Number

M A R C V E N T U R E S H O L D I N G S , I N C .

( F O R M E R L Y A J O N E T H O L D I N G S , I N C

(Company's Full Name)

4 t h F l o o r B D O T o w e r s P a s e o

8 7 4 1 P a s e o d e R o x a s

M a k a t i C i t y

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

**Maila G. De Castro**

Contact Person

**(02) 8831-4479**

Company Telephone Number

1 2

Month

3 1

Day

Fiscal Year

Meeting

FORM TYPE

0 5

Month

Day

Annual

**2021 INTEGRATED ANNUAL  
CORPORATE GOVERNANCE REPORT**

Secondary License Type, If Applicable

Dept Requiring this Doc

Amended Articles Number / Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes



Reference no.MHI\_LEG2022\_TL\_011

30 May 2022

**SECURITIES AND EXCHANGE COMMISSION**  
**Corporate Governance and Finance Department**  
**Office of the Director**  
G/F Secretariat Building, PICC Complex,  
Roxas Boulevard, Pasay City, 1307

**Attention:** **Atty. Rachel Esther J. Gumtang-Remalante**  
Director

**Re:** **2021 Integrated Annual Corporate Governance Report of**  
**Marcventures Holdings, Inc. (MHI)**

Dear Dir. Gumtang-Remalante,

In compliance with the Securities and Exchange Commission (SEC) Memorandum Circular (MC) No. 15, Series of 2017 entitled "Integrated Annual Corporate Governance Report (I-ACGR)" which requires Publicly-Listed Companies (PLCs) to submit its I-ACGR every 30<sup>th</sup> May of each year that the company remains listed in the Philippine Stock Exchange (PSE), we submit herewith Marcventures Holdings, Inc.'s (MHI) Integrated Annual Corporate Governance Report for the year 2021.

For your information.

Thank you.

  
**Atty. Maila Lourdes G. de Castro**  
*Co-Assistant Corporate Secretary, MHI*



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

GENERAL INSTRUCTIONS

A. Use of Form I-ACGR

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

B. Preparation of Report

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

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

RECOMMENDED CG PRACTICE/POLICY	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Contains CG Practices/ Policies, labelled as follows: (1) “Recommendations” – derived from the CG Code for PLCs; (2) “Supplement to Recommendation” – derived from the PSE CG Guidelines for Listed Companies; (3) “Additional Recommendations” – CG Practices not found in the CG Code for PLCs and PSE CG Guidelines but are expected already of PLCs; and (4) “Optional Recommendation” – practices taken from the	The company shall indicate compliance or non-compliance with the recommended practice.	The company shall provide additional information to support their compliance with the recommended CG practice.	The PLCs shall provide the explanations for any non-compliance, pursuant to the “comply or explain” approach.  Please note that the explanation given should describe the non-compliance and include by the company.  *“Not Applicable” or “None” shall not be considered as sufficient explanation

<p style="text-align: center;">ASEAN Corporate Governance Scorecard</p> <p>*Items under (1) – (3) must be answered/disclosed by the PLCs following the “comply or explain” approach. Answering of items under (4) are left to the discretion of PLCs.</p>			
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C. Signature and Filing of the Report

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



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended 31 December 2021
2. SEC Identification Number 12942
3. BIR Tax Identification No. 000-104-320-000
4. Exact name of issuer as specified in its charter. **Marcventures Holdings, Inc.**
5. Manila, Philippines  
Province, Country or other jurisdiction of  
incorporation or organization
6.  (SEC Use Only)  
Industry Classification Code:
7. 4<sup>th</sup> Floor BDO Towers Paseo (formerly Citibank Center), 8741, Paseo de Roxas, Makati 1227  
Address of principal office Postal Code
8. (+632)8831-4479 or (+632)8831-4483  
Issuer's telephone number, including area code
9. n/a  
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT, NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>The Board's Governance Responsibilities</b>			
Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
<b>Recommendation 1.1</b>			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	<p><i>Provide information or link/reference to a document containing information on the following:</i></p> <ol style="list-style-type: none"> <li><i>1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors</i></li> <li><i>2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance</i></li> </ol> <p><b><u>Links/References are as follows:</u></b></p> <p><b>Website: Board of Directors and Officers</b>  <a href="https://www.marcenturesholdings.com/board_of_directors_and_officers">https://www.marcenturesholdings.com/board_of_directors_and_officers</a></p> <p><b>2016 Revised Manual on Corporate Governance, Ref: Item 1(1.1 and 1.2)</b>  <a href="https://marcenturesholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcenturesholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 1(1.1)</b>  <a href="https://marcenturesholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcenturesholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a></p>	



		<p><b>PSE Disclosure: 2021 Annual Report, Ref: Item 9:</b> <i>Directors and Executive Officers of the Registrant, pages 29-33</i> <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f</a></p> <p><b>SEC Form 20-IS, Ref: Item 5: Directors and Executive Officers, pages 7-13</b> <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p>	
<p>2. Board has an appropriate mix of competence and expertise.</p>	<p>Compliant</p>	<p><b>Website: Board of Directors and Officers</b> <a href="https://www.marcventuresholdings.com/board_of_directors_and_officers">https://www.marcventuresholdings.com/board_of_directors_and_officers</a></p> <p><b>2016 Revised Manual on Corporate Governance, Ref: Item 1(1.1 and 1.2)</b> <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 1(1.1)</b> <a href="https://marcventuresholdings.com/private/any/4uEwMydrlzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrlzpvJaUj-1594353541.pdf</a></p> <p><b>PSE Disclosure: 2021 Annual Report, Ref: Item 9:</b> <i>Directors and Executive Officers of the Registrant, pages 29-33</i> <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f</a></p>	

		<p><b>SEC Form 20-IS, Ref: Item 5: Directors and Executive Officers, pages 7-13</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p>	
<p>3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.</p>	Compliant	<p><b>Website: Board of Directors and Officers</b>  <a href="https://www.marcventuresholdings.com/board_of_directors_and_officers">https://www.marcventuresholdings.com/board_of_directors_and_officers</a></p> <p><b>PSE Disclosure: 2021 Annual Report, Ref: Item 9: Directors and Executive Officers of the Registrant, pages 29-33</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f</a></p> <p><b>SEC Form 20-IS, Ref: Item 5: Directors and Executive Officers, pages 7-13</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p>	
<b>Recommendation 1.2</b>			
<p>1. Board is composed of a majority of non-executive directors</p>	Compliant	<p><i>Identify or provide link/reference to a document identifying the directors and the type of their directorships.</i></p> <p>MHI currently has nine (9) directors in accordance with Sixth Article of MHI’s amended Articles of Incorporation (AOI) dated 28 March 2022. All are non-executive directors.</p> <p><b>PSE Disclosure: Amended Articles of Incorporation dated 28 March 2022</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=95d6cc9b5adf7e683470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=95d6cc9b5adf7e683470cea4b051ca8f</a></p>	

		<p><b>Website: Board of Directors and Officers</b>  <a href="https://www.marcventuresholdings.com/board_of_directors_and_officers">https://www.marcventuresholdings.com/board_of_directors_and_officers</a></p> <p><b>SEC From 20-IS, Ref: Item 5: Directors and Executive Officers, pages 7-13,</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p> <p><b>2021 General Information Sheet, Ref: page 4</b>  <a href="https://marcventuresholdings.com/private/any/d42WRrXi7chGhmjP-1633417465.pdf">https://marcventuresholdings.com/private/any/d42WRrXi7chGhmjP-1633417465.pdf</a></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><i>Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.</i></p> <p><b>Links/References are as follows:</b></p> <p><b>2016 Revised Manual on Corporate Governance, Ref: Item 1(1.3)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 1(1.3)</b>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrlzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrlzpvJaUj-1594353541.pdf</a></p> <p>The Company provides an annual training program from an SEC accredited provider. The training programs varies</p>	

		<p>each year and covers a range of matters, including traditional corporate governance topics such as audit, internal controls, anti-corruption and risk management. In 2021, the topics discussed during the Corporate Governance Training held on 18 August 2021 were on CREATE Law and its Implementing Rules and Regulations, Compliance with the Department of Labor and Employment (DOLE) Regulations During the Pandemic, Principle of Independence in Corporate Governance, and Updates on SEC Issuances.</p> <p>The Company has no formal Board Charter and policy on training. However, all Directors and officers undergo a yearly 5-hour training program with SEC certified providers.</p> <p>The Certificates of Attendance to the training program for 2021 were submitted to both the SEC and PSE.</p> <p><b>Advisement Letter</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=a5b4348811b7ffb15d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=a5b4348811b7ffb15d542af6f1e997b9</a></p>	
<p>2. Company has an orientation program for first time directors.</p>	<p>Compliant</p>	<p><i>Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p><b>2016 Revised Manual on Corporate Governance, Ref: Item 1(1.3)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p>	

		<p><b>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item1(1.3)</b>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a></p> <p>The Company provides annual training and/or seminar to its directors and officers from an SEC-accredited provider. The orientation program is compulsory for all members to participate. The Company also encourages the directors to participate in seminars conducted by reputable providers.</p> <p>The President, Chairman and Board have a responsibility to ensure that first-time directors are given proper support in learning their role so that they can get up to speed. All nominees are screened by the Nominations and Compensation Committee and are informed in advance of the board’s mandate and areas of responsibility, organizational structure, operations and key personnel, terms of directors, committee membership, chairs etc., board work plan, including current projects and priorities, board culture and protocols relating to motions, voting, agenda, and telephone participation, among others.</p>	
<p>3. Company has relevant annual continuing training for all directors.</p>	<p>Compliant</p>	<p>The Company has no formal Board Charter on training. However, all Directors and officers undergo a yearly 5-hour training program with SEC certified providers.</p> <p>The Certificates of Attendance to the training program for 2021 were submitted to both the SEC and PSE.</p>	

		<p><b>Advisement Letter</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=a5b4348811b7ffb15d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=a5b4348811b7ffb15d542af6f1e997b9</a></p> <p><b>Links/References are as follows:</b></p> <p><b>2016 Revised Manual on Corporate Governance, Ref: Item 1(1.3)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 1(1.3)</b>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a></p>	
<b>Recommendation 1.4</b>			
1. Board has a policy on board diversity.	Compliant	<p><i>Provide information on or link/reference to a document containing information on the company's board diversity policy.</i></p> <p><i>Indicate gender composition of the board.</i></p> <p><b>Links/References are as follows:</b></p> <p><b>2016 Revised Manual on Corporate Governance, Ref: Item 1(1.4)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 1(1.4)</b>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a></p>	

		<p>The Board has 9 members (due to the resignation from the Board of Dir. Macario U. Te effective 7 June 2021) with 7 male and 2 female directors. Notably, per the Company’s Amended Article of Incorporation (AOI) dated 28 March 2022, the Company decreased the number of directors from 11 to 9.</p> <p><b>Website: Board of Directors and Officers</b>  <a href="https://www.marcenturesholdings.com/board_of_directors_and_officers">https://www.marcenturesholdings.com/board_of_directors_and_officers</a></p> <p><b>PSE Disclosure: Amended Articles of Incorporation dated 28 March 2022</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=95d6cc9b5adf7e683470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=95d6cc9b5adf7e683470cea4b051ca8f</a></p>	
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**Optional: Recommendation 1.4**

<p>1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.</p>	<p>Non-Compliant</p>	<p><i>Provide information on or link/reference to a document containing the company’s policy and measurable objectives for implementing board diversity.</i></p> <p><i>Provide link or reference to a progress report in achieving its objectives.</i></p>	<p>While the Company has no formal Board Diversity policy yet, MHI still practices board diversity by ensuring that the Board is composed of individuals with varying professional and personal backgrounds (namely from different fields, regional and industry experience, age, gender, culture, skills, background, competence and knowledge). Moving forward, the Company intends to institutionalize such practice by adopting the same in its Board Charter.</p>
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<b>Recommendation 1.5</b>			
<p>1. Board is assisted by a Corporate Secretary.</p>	<p>Compliant</p>	<p><i>Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.</i></p> <p><b>Links/References are as follows:</b></p> <p>The qualifications, duties and responsibilities of the Corporate Secretary are disclosed in 2016 Revised Manual on Corporate Governance and updated in the 2020 Revised Manual on Corporate Governance of MHI.</p> <p><b>2016 Revised Manual on Corporate Governance, Ref:</b>  <i>Item 1(1.5)</i>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance, Ref:</b>  <i>Article 3, Item 1(1.5)</i>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a></p> <p><b>The Corporate Secretary of MHI is Atty. Roberto V. San Jose:</b>  <a href="https://marcventuresholdings.com/mhi_bod_san_jose">https://marcventuresholdings.com/mhi_bod_san_jose</a></p> <p><b>SEC Form 20-IS, Ref: Item 5: Directors and Executive Officers, pages 8 and 13</b></p>	



		<p><a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p> <p><b>PSE Disclosure – Results of Organizational Meeting</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=327738986a4389375d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=327738986a4389375d542af6f1e997b9</a></p>	
<p>2. Corporate Secretary is a separate individual from the Compliance Officer.</p>	<p>Compliant</p>	<p>MHI ensures that the functions of the Corporate Secretary are distinct and clearly delineated from the function of the Compliance Officer. This is laid down in the Company's 2016 Revised Manual on Corporate Governance and updated in the 2020 Revised Manual on Corporate Governance.</p> <p><b><u>Links/References are as follows:</u></b></p> <p><b>2016 Revised Manual on Corporate Governance, Ref: Item 1(1.5)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 1(1.5)</b>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a></p> <p><b>PSE Disclosure – Results of Organizational Meeting</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=327738986a4389375d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=327738986a4389375d542af6f1e997b9</a></p> <p>Corporate Secretary:</p>	

		<ul style="list-style-type: none"> <li>• Atty. Roberto V. San Jose</li> </ul> <p>Asst. Corporate Secretaries and Compliance Officers:</p> <ul style="list-style-type: none"> <li>• Atty. Ana Maria A. Katigbak</li> <li>• Atty. Maila G. De Castro</li> </ul>	
3. Corporate Secretary is not a member of the Board of Directors.	Compliant	<p>The Corporate Secretary, Atty. Roberto V. San Jose, is not a member of the MHI Board of Directors.</p> <p><b><u>Links/References are as follows:</u></b></p> <p><b>Website: Board of Directors and Officers</b>  <a href="https://marcventuresholdings.com/board_of_directors_and_officers">https://marcventuresholdings.com/board_of_directors_and_officers</a></p> <p><b>SEC Form 20-IS, Ref: Item 5. Directors and Executive Officers, pages 7-8</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p> <p><b>PSE Disclosure – Results of Organizational Meeting</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=327738986a4389375d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=327738986a4389375d542af6f1e997b9</a></p> <p><b>2021 General Information Sheet, Ref: page 4</b>  <a href="https://marcventuresholdings.com/private/any/d42WRrXi7chGhmjP-1633417465.pdf">https://marcventuresholdings.com/private/any/d42WRrXi7chGhmjP-1633417465.pdf</a></p>	
4. Corporate Secretary attends training/s on corporate governance.	Compliant	<p><i>Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered.</i></p> <p>MHI Officers participate in comprehensive training programs, and it is compulsory for all key officers to participate in on-going professional development</p>	

		<p>training. In 2021, the topics discussed during the Corporate Governance Training held on 18 August 2021 were on CREATE Law and its Implementing Rules and Regulations, Compliance with the Department of Labor and Employment (DOLE) Regulations During the Pandemic, Principle of Independence in Corporate Governance, and Updates on SEC Issuances.</p> <p>The Certificates of Attendance to the training program for 2021 were submitted to both the SEC and PSE.</p> <p><b>Advisement Letter</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=a5b4348811b7ffb15d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=a5b4348811b7ffb15d542af6f1e997b9</a></p>	
<b>Optional: Recommendation 1.5</b>			
<p>1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.</p>	<p>Compliant</p>	<p><i>Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting.</i></p> <p>Under Item 1(1.5)(f) of the 2016 Revised Manual on Corporate Governance and Article 3, Item 1(1.5)(f) of the 2020 Revised Manual on Corporate Governance, it is the Corporate Secretary’s duty and responsibility to inform members of the Board, in accordance with MHI by-laws and its amendment/s, of the agenda of their meetings at least five (5) working days in advance prior to the date of the meeting, and ensure that the members have before them accurate information that will enable them to arrive at intelligent decisions on matter that require their approval.</p>	

		<p><b>2016 Revised Manual on Corporate Governance, Ref: Item 1(1.5)(f)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 1(1.5)(f)</b>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrlZpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrlZpvJaUj-1594353541.pdf</a></p> <p>The Asst. Corporate Secretary sends email notification to the Board on the agenda of the meeting at least five (5) business days before the scheduled meeting and provides advance copies of the materials (memos and reports) both via email and printed copies before the meeting. See sample screenshots of the emails (<b>Annex "A"</b>).</p>	
<b>Recommendation 1.6</b>			
<p>1. Board is assisted by a Compliance Officer.</p>	<p>Compliant</p>	<p><i>Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.</i></p> <p><b>Links/References are as follows:</b></p> <p><b>The Company's Compliance Officers:</b>  <b>Atty. Ana Maria A. Katigbak (Compliance Officer)</b>  <a href="https://marcventuresholdings.com/mhi_bod_katigbak">https://marcventuresholdings.com/mhi_bod_katigbak</a></p> <p><b>Atty. Maila G. De Castro (Co-Compliance Officer)</b>  <a href="https://marcventuresholdings.com/Maila_Lourdes_De_Castro">https://marcventuresholdings.com/Maila_Lourdes_De_Castro</a></p> <p><b>PSE Disclosure – Results of Organizational Meeting</b></p>	

		<p><a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=327738986a4389375d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=327738986a4389375d542af6f1e997b9</a></p> <p><b>2021 General Information Sheet, Ref: page 4</b> <a href="https://marcventuresholdings.com/private/any/d42WRrXi7chGhmjP-1633417465.pdf">https://marcventuresholdings.com/private/any/d42WRrXi7chGhmjP-1633417465.pdf</a></p> <p><b>SEC Form 20-IS, Ref: Item 5. Directors and Executive Officers, pages 8, 12, and 13</b> <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p> <p><b>2016 Revised Manual on Corporate Governance, Ref: Item 1(1.6)</b> <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 1(1.6)</b> <a href="https://marcventuresholdings.com/private/any/4uEwMydrlZpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrlZpvJaUj-1594353541.pdf</a></p>	
<p>2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.</p>	<p>Compliant</p>	<p>The Compliance Officer, Atty. Ana Maria A. Katigbak, is engaged in a consultancy capacity. She is a Senior Partner in the Law Firm of Castillo Laman Tan Pantaleon &amp; San Jose.</p> <p>The Co-Compliance Officer, Atty. Maila G. De Castro, is the Head of the Legal Department of MHI and holds a Vice President position with adequate stature and authority.</p>	

<p>3. Compliance Officer is not a member of the board.</p>	<p>Compliant</p>	<p>Atty. Ana Maria A. Katigbak and Atty. Maila G. de Castro, the Company's Compliance Officer and Co-Compliance Officer, respectively, are not members of the Board.</p> <p><b>PSE Disclosure – Results of Organizational meeting</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=327738986a4389375d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=327738986a4389375d542af6f1e997b9</a></p> <p><b>2021 General Information Sheet, Ref: page 4</b>  <a href="https://marcventuresholdings.com/private/any/d42WRrXi7chGhmjP-1633417465.pdf">https://marcventuresholdings.com/private/any/d42WRrXi7chGhmjP-1633417465.pdf</a></p>	
<p>4. Compliance Officer attends training/s on corporate governance.</p>	<p>Compliant</p>	<p><i>Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered.</i></p> <p>MHI Officers participate in comprehensive training programs, and it is compulsory for all key officers to participate in on-going professional development training. In 2021, the topics discussed during the Corporate Governance Training held on 18 August 2021 were on CREATE Law and its Implementing Rules and Regulations, Compliance with the Department of Labor and Employment (DOLE) Regulations During the Pandemic, Principle of Independence in Corporate Governance, and Updates on SEC Issuances.</p> <p>The Certificates of Attendance to the training program for 2021 were submitted to both the SEC and PSE.</p> <p><b><u>Links/References are as follows:</u></b></p> <p><b>Advisement Letter</b></p>	

[https://edge.pse.com.ph/openDiscViewer.do?edge\\_no=a5b4348811b7ffb15d542af6f1e997b9](https://edge.pse.com.ph/openDiscViewer.do?edge_no=a5b4348811b7ffb15d542af6f1e997b9)

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

**Recommendation 2.1**

<p>1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.</p>	<p>Compliant</p>	<p><i>Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting).</i></p> <p>Board of Directors actively participate during regular and special Board meetings. Further, the Chairman of the Board makes certain that the meeting agenda focus on strategic and operational matters with the assistance of the Corporate Secretary, while taking into consideration the advice and suggestions of the Board and Management.</p> <p>The Directors are able to perform their duties and responsibilities through the timely provision of Board materials as well as easy and timely access to information or inputs for sound decision making.</p> <p>The Board ensures that key financial decisions related to investment/capital expenditure considered by various businesses in which the Company has direct equity undergo appropriate processes and approval.</p> <p>See sample Minutes of the Regular Meeting of the Board of Directors of MHI held on June 25, 2021 (<b>Annex “B”</b>)</p>	
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		<p><b>2016 Revised Manual on Corporate Governance, Ref: Item 2(2.1)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 2(2.1)</b>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a></p>	
<b>Recommendation 2.2</b>			
<p>1. Board oversees the development, review and approval of the company's business objectives and strategy.</p>	<p><b>Compliant</b></p>	<p><i>Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting).</i></p> <p><i>Indicate frequency of review of business objectives and strategy.</i></p> <p>The Board plays a leading role in the establishment of the Company's strategic framework, setting the overall strategic direction and reviewing and monitoring of its progress at least on a quarterly basis. It ensures that the implementation of existing policies and strategies, including business plans and overall performance of the Management team based on clear established performance matrix are periodically evaluated and monitored, and that the corporate activities and key management decisions are still aligned with the Company's vision and mission.</p> <p>Quarterly board meetings ensure regular reporting and monitoring of performance management while the Executive Committee monitors the progress of the implementation on a monthly and/or regular basis.</p>	



		<p>See Material Information Disclosures in the Company and PSE, Company website, and Minutes of the Board Meetings</p> <p>See sample Minutes of the Regular Meeting of the Board of Directors of MHI held on June 25, 2021 (<b>Annex “B”</b>)</p> <p><b>2016 Revised Manual on Corporate Governance, Ref: Item 2(2.2)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 2(2.2)</b>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrlZpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrlZpvJaUj-1594353541.pdf</a></p>	
<p>2. Board oversees and monitors the implementation of the company’s business objectives and strategy.</p>	<p>Compliant</p>	<p>The Board leads the overall Company’s business direction and strategy and monitors Management’s performance.</p> <p>See sample Minutes of the Regular Meeting of the Board of Directors of MHI held on June 25, 2021 (<b>Annex “B”</b>)</p> <p><b>2016 Revised Manual on Corporate Governance, Ref: Item 2(2.2)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 2(2.2)</b></p>	

		<a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a>	
<b>Supplement to Recommendation 2.2</b>			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	<p><i>Indicate or provide link/reference to a document containing the company's vision, mission and core values.</i></p> <p><i>Indicate frequency of review of the vision, mission and core values.</i></p> <p><b>Links/References are as follows:</b></p> <p><b>Website: Vision Mission Statement</b>  <a href="https://www.marcventuresholdings.com/vision_mission_statement">https://www.marcventuresholdings.com/vision_mission_statement</a></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><i>Provide information on or link/reference to a document containing information on the strategy execution process.</i></p> <p>The Company is constantly reviewing and modifying processes to facilitate effective management and performance in harmony with the Company's business environment and culture. Management aims to develop a corporate culture which creates an environment that is conducive to performance improvement, shapes the way people act and interact, as a result, this culture influences how things get done. The Senior Officers closely collaborate with the aim of fostering organizational growth and development in support of its strategic goals.</p> <p>In 2021, the Board was supported in the performance of its functions by the following board committees:</p> <ul style="list-style-type: none"> <li>• Executive Committee</li> <li>• Audit, Corporate Governance, Risk Oversight and Related Party Transaction Committee</li> </ul>	

		<ul style="list-style-type: none"> <li>• Nomination and Compensation Committee</li> <li>• Investments Committee</li> <li>• Retirement Committee</li> </ul> <p>The Committees assist the Board in ensuring that the Company's business objectives and strategies are cascaded, implemented, and properly monitored within their specific spheres of functions.</p> <p><b><u>Links/References are as follows:</u></b></p> <p><b>PSE Disclosure – Results of Organizational Meeting</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=327738986a4389375d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=327738986a4389375d542af6f1e997b9</a></p>	
<b>Recommendation 2.3</b>			
1. Board is headed by a competent and qualified Chairperson.	Compliant	<p><i>Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications.</i></p> <p>See website for Information about Mr. Cesar Zalamea, Chairman  <a href="https://marcventureholdings.com/mhi_bod_zalamea">https://marcventureholdings.com/mhi_bod_zalamea</a></p> <p><b>SEC Form 20-IS, Ref: Item 5. Directors and Executive Officers, pages 8 and 9</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p>	
<b>Recommendation 2.4</b>			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	Disclose and provide information or link/reference to a document containing information on the company's	

		<p>succession planning policies and programs and its implementation.</p> <p><b><u>Links/References are as follows:</u></b></p> <p><b>2016 Revised Manual on Corporate Governance, Ref: Item 2(2.4)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 2(2.3)</b>  <a href="https://marcventuresholdings.com/private/any/4uEwMyd rLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMyd rLzpvJaUj-1594353541.pdf</a></p> <p>While the Company has no formal succession planning program in place to date, it has an Organizational Chart which is sufficient for purposes of succession planning of key officers and management.</p> <p>For Directors, the By-laws provide for a mechanism in case there is a vacant seat:</p> <p><b>Amended By-Laws dated May 29, 2015, Ref: Article II, Section 5</b>  <a href="https://marcventuresholdings.com/private/any/spFlsYOA 2eizh03B-1594888098.pdf">https://marcventuresholdings.com/private/any/spFlsYOA 2eizh03B-1594888098.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 2(2.5.1.f)</b>  <a href="https://marcventuresholdings.com/private/any/4uEwMyd rLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMyd rLzpvJaUj-1594353541.pdf</a></p>	
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<p>2. Board adopts a policy on the retirement for directors and key officers.</p>	<p>Non-complaint</p>	<p><b>Links/References are as follows:</b></p> <p><b>2016 Revised Manual on Corporate Governance, Ref: Item 2(2.4)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-20">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-20</a></p> <p><b>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 2(2.3)</b>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrlZpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrlZpvJaUj-1594353541.pdf</a></p>	<p>While the Company has yet to adopt a formal policy for the retirement of its Directors, it follows general statutory mandates, and the basic components of a retirement policy are already in place. For its Key Officers, a Retirement Policy is already in place.</p> <p>On December 4, 2019, MHI Retirement Plan covering qualified employees and officers was presented to the Retirement Committee of MHI and the MHI Retirement Plan was approved by the Board during its regular meeting held on December 18, 2019.</p> <p>MHI is currently working on setting-up a Trust Agreement with the selected trustee for the management and administration of fund, and submission to Bureau of Internal Revenue (BIR) of a tax qualification letter.</p>
<b>Recommendation 2.5</b>			
<p>1. Board aligns the remuneration of key officers and board members with long-term interests of the company.</p>	<p>Compliant</p>	<p><i>Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.</i></p>	

<p>2. Board adopts a policy specifying the relationship between remuneration and performance.</p>	<p>Compliant</p>	<p><b>Links/References are as follows:</b></p> <p><b>2016 Revised Manual on Corporate Governance, Ref: Item 2(2.5)</b></p> <p><a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-20">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-20</a></p>	
<p>3. Directors do not participate in discussions or deliberations involving his/her own remuneration.</p>	<p>Compliant</p>	<p><b>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 2(2.4)</b></p> <p><a href="https://marcventuresholdings.com/private/any/4uEwMyd rLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMyd rLzpvJaUj-1594353541.pdf</a></p> <p>The stockholders owning at least two-thirds (2/3) of the outstanding capital stock at their annual meeting held on November 14, 2014 and by the Board of Directors at their meeting on March 21, 2014 approved the amendment of the By-Laws to grant compensation to the members of the Board in accordance with the provisions of Republic Act No. 11232 or the Revised Corporation Code of the Philippines.</p> <ul style="list-style-type: none"> <li>• Sec. 29 of the Revised Corporation Code of the Philippines provides:</li> </ul> <p>Compensation of Directors. – In the absence of any provision in the by-laws fixing their compensation, the directors shall not receive any compensation in their capacity as such, except for reasonable per diems: Provided, however, that the stockholders representing at least a majority of the outstanding capital stock may grant directors with compensation and approve the amount thereof at a regular or special meeting.</p>	

		<p>In no case shall the total yearly compensation of directors exceed ten percent (10%) of the net income before income tax of the corporation during the preceding year.</p> <p>Directors shall not participate in the determination of their own per diems or compensation.</p>	
<b>Optional: Recommendation 2.5</b>			
<p>1. Board approves the remuneration of senior executives.</p>	<p>Compliant</p>	<p><i>Provide proof of board approval.</i></p> <p>There was no instance in 2021 which required Board approval relative to remuneration of senior executives.</p> <p><b><u>Links/References are as follows:</u></b></p> <p>The remuneration of Executive directors can be found in the Company's 2016 and 2020 Revised Manual on Corporate Governance.</p> <p><b>2016 Revised Manual on Corporate Governance, Ref: Item 2(2.5)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-20">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-20</a></p> <p><b>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 2(2.4)</b>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrlZpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrlZpvJaUj-1594353541.pdf</a></p> <p><b>Amended By-Laws dated May 29, 2015</b></p>	

		<p><a href="https://marcventuresholdings.com/private/any/spFlsYOA2eizh03B-1594888098.pdf">https://marcventuresholdings.com/private/any/spFlsYOA2eizh03B-1594888098.pdf</a></p> <p><b>Section 6, Article II of the Company’s Amended By-Laws dated May 29, 2015 states:</b>  A portion of the Company’s annual net profits before tax shall be allocated as a performance-based bonus to be distributed among members of the Board of Directors, executive officers and consultants of the Company, as determined by the Board, provided that the total yearly compensation of Directors, as such directors duly approved by the vote of the stockholders representing at least majority of the outstanding capital stock shall not exceed 10% of the net income before income tax of the Company during the preceding year, in addition to any reasonable per diems that a Director may receive (Amended on November 14, 2014).</p>	
<p>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.</p>	<p>Non-Compliant</p>	<p><i>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.</i></p>	<p>The Company currently does not have any claw back provision or mechanism on deferred bonuses. This may not be necessary considering the size, structure and operations of the Company.</p> <p>The Company also currently does not have a performance-pay system based on performance indicators, nor a scorecard to align the remuneration of the executive directors and senior executives with their performance.</p>
<p><b>Recommendation 2.6</b></p>			



<p>1. Board has a formal and transparent board nomination and election policy.</p>	<p>Compliant</p>	<p><i>Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.</i></p> <p><i>Provide proof if minority shareholders have a right to nominate candidates to the board.</i></p> <p><i>Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p>The nomination and selection process in electing directors are provided in the Company's 2016 and 2020 Revised Manual on Corporate Governance, and in the Securities and Exchange Commission (SEC) Information Statement.</p> <p><b>2016 Revised Manual on Corporate Governance, Ref:</b> <i>Item 2(2.6)</i> <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance, Ref:</b> <i>Article 3, Item 2(2.5)</i> <a href="https://marcventuresholdings.com/private/any/4uEwMydrlZpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrlZpvJaUj-1594353541.pdf</a></p> <p><b>SEC Form 20-IS, Ref:</b> <i>Item 5. Directors and Executive Officers, pages 13-14</i> <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p>	
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<p>2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.</p>	<p>Compliant</p>	<p><b>2016 Revised Manual on Corporate Governance, Ref:</b>  <i>Item 2(2.6)</i>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance, Ref:</b>  <i>Article 3, Item 2(2.5)</i>  <a href="https://marcventuresholdings.com/private/any/4uEwMyd rLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMyd rLzpvJaUj-1594353541.pdf</a></p>	
<p>3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.</p>	<p>Compliant</p>	<p>The Corporation recognizes minority rights as embodied in the Revised Corporation Code which allow minority stockholders the right to cumulate their votes for election of directors and the right to nominate directors, among others.</p> <p><b>2016 Revised Manual on Corporate Governance, Ref:</b>  <i>Item 2(2.6)</i>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance, Ref:</b>  <i>Article 3, Item 2(2.5) &amp; Item 13(13.1)</i>  <a href="https://marcventuresholdings.com/private/any/4uEwMyd rLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMyd rLzpvJaUj-1594353541.pdf</a></p>	
<p>4. Board nomination and election policy includes how the board shortlists candidates.</p>	<p>Compliant</p>	<p><b>2016 Revised Manual on Corporate Governance, Ref:</b>  <i>Item 2(2.6)</i>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance, Ref:</b>  <i>Article 3, Item 2(2.5)</i></p>	

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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><b>2016 Revised Manual on Corporate Governance, Ref: Item 2(2.6)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 2(2.5)</b>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a></p>	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant	<p><b>2016 Revised Manual on Corporate Governance, Ref: Item 2(2.6)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 2(2.5)</b>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a></p>	
<b>Optional: Recommendation to 2.6</b>			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.	Non-Compliant	<i>Identify the professional search firm used or other external sources of candidates.</i>	The Company currently does not use any professional search firm or other external sources of candidates. When searching candidates to the board or when conducting search for candidates to directorships, the

			Company receives recommendations from the members of the board or from stockholders. In this manner, the Board is aware of the capabilities of the candidate.
<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><i>Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs.</i></p> <p><i>Identify transactions that were approved pursuant to the policy.</i></p> <p>While the Company has an existing policy of related party transactions, there is no transaction yet that has reached the materiality threshold.</p> <p><b><u>Links/References are as follows:</u></b></p> <p><b>Material Related Party Transactions Policy</b>  <a href="https://marcventuresholdings.com/material_related_party_transactions_policy">https://marcventuresholdings.com/material_related_party_transactions_policy</a></p> <p><b>2016 Revised Manual of Corporate Governance, Ref: Item 2(2.7)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 2(2.6)</b>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrlZpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrlZpvJaUj-1594353541.pdf</a></p>	



<p>2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.</p>	<p>Compliant</p>	<p><b>Material Related Party Transactions Policy, Ref: Part V. and VI.</b>  <a href="https://marcventuresholdings.com/material_related_party_transactions_policy">https://marcventuresholdings.com/material_related_party_transactions_policy</a></p>	
<p>3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.</p>	<p>Compliant</p>	<p><b>Material Related Party Transactions Policy, Ref: Part II.</b>  <a href="https://marcventuresholdings.com/material_related_party_transactions_policy">https://marcventuresholdings.com/material_related_party_transactions_policy</a></p>	
<p><b>Supplement to Recommendations 2.7</b></p>			
<p>1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered de minimis or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.</p>	<p>Compliant</p>	<p><i>Provide information on a materiality threshold for RPT disclosure and approval, if any.</i></p> <p><i>Provide information on RPT categories.</i></p> <p>The Company’s Material Related Party Transactions Policy defines who are Related Parties and pegs the materiality threshold of related party transactions at ten percent (10%) of the Company’s total consolidated assets. It also provides for the guidelines in the review and approval of a material related party transaction and criteria in approving MRPT, disclosure and review, among others.</p> <p><b><u>Links/References are as follows:</u></b></p> <p><b>Material Related Party Transactions Policy, Ref: Part II.</b>  <a href="https://marcventuresholdings.com/material_related_party_transactions_policy">https://marcventuresholdings.com/material_related_party_transactions_policy</a></p>	

		<p><b>2020 Revised Manual on Corporate Governance, Ref:</b> Article 3, Item 2(2.6) <a href="https://marcventuresholdings.com/private/any/4uEwMydrlZpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrlZpvJaUj-1594353541.pdf</a></p> <p><b>PSE Disclosure: 2021 Annual Report:</b> <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f</a></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.	Compliant	<p><i>Provide information on voting system, if any.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p><b>Material Related Party Transactions Policy, Ref: Part VI.</b> <a href="https://marcventuresholdings.com/material_related_party_transactions_policy">https://marcventuresholdings.com/material_related_party_transactions_policy</a></p> <p>The Board further adopts the provisions of the Revised Corporation Code of the Philippines on approvals of related-party transactions.</p>	
<b>Recommendation 2.8</b>			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	<p><i>Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management.</i></p> <p><i>Identify the Management team appointed.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p>The Board is guided by the provisions of the Revised Corporation Code of the Philippines in the selection of certain officers.</p> <p><b>2016 Revised Manual of Corporate Governance, Ref:</b> Item 2(2.8)</p>	

		<p><a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 2(2.7)</b></p> <p><a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a></p>	
<p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	Compliant	<p><i>Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.</i></p> <p><i>Provide information on the assessment process and indicate frequency of assessment of performance.</i></p> <p>Although the Company has not adopted a formal policy on performance management, the Board clearly identifies and/or approves the Company's goals and objectives that are cascaded to all levels of the organization. Performance is gauged based on results that are discussed during the Management Committee weekly meetings and various internal committee meetings headed by the senior management officers.</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>	Compliant	<p><i>Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.</i></p> <p>The Company's performance management is centered on the goals set from the Company level down to Management, teams and individual level. Goals set are</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>	<p>Specific, Measurable, Achievable, Realistic, and Time-based. Progress is discussed weekly during the management committee meetings and monthly during the executive committee meetings and in quarterly board meetings.</p> <p><b><u>Links/References are as follows:</u></b></p> <p><b>2016 Revised Manual of Corporate Governance, Ref: Item 2(2.9)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 2(2.8)</b>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrlzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrlzpvJaUj-1594353541.pdf</a></p>	
<b>Recommendation 2.10</b>			
<p>1. Board oversees that an appropriate internal control system is in place.</p>	<p>Compliant</p>	<p><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></p>	
<p>2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.</p>	<p>Compliant</p>	<p>Please refer to the 2020 Revised Manual on Corporate Governance.</p> <p>The Board, through the Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee and Internal Audit Department, monitors and evaluates the adequacy and effectiveness of the Company's internal control system.</p> <p><b>2016 Revised Manual of Corporate Governance, Ref: Item 2(2.10)</b></p>	



		<a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a>  <b>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 2(2.9)</b> <a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a>	
3. Board approves the Internal Audit Charter.	Compliant	<i>Provide reference or link to the company's Internal Audit Charter.</i>  <b>Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee Charter</b> <a href="https://marcventuresholdings.com/private/any/mwz50qDtSMPQPdJ-1594800571.pdf">https://marcventuresholdings.com/private/any/mwz50qDtSMPQPdJ-1594800571.pdf</a>	
<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.	Non-Compliant	<i>Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.</i>  <i>Provide proof of effectiveness of risk management strategies, if any.</i>  <b>MHI Enterprise Risk Management</b> <a href="https://marcventuresholdings.com/enterprise_risk_management">https://marcventuresholdings.com/enterprise_risk_management</a>  <b>2016 Revised Manual of Corporate Governance, Ref: Item 2(2.11)</b> <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a>	<p>Although the Company has no comprehensive, enterprise wide ERM framework, the Company has an Enterprise Risk Management Policy (<a href="https://www.marcventuresholdings.com/enterprise_risk_management">https://www.marcventuresholdings.com/enterprise_risk_management</a>).</p> <p>The basic components of an ERM to address the various risks the Company is exposed to are already in place and it is in the process of providing for and ERM framework.</p> <p>The Board of Directors and Management assess the various risks involved in its operations, including</p>
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Non-Compliant		

		<p><b>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 2(2.10)</b>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a></p>	<p>the agreements, contracts and transactions it enters into. The Company has appointed an Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee whose duties and responsibilities include among others, the oversight of financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal, compliance and other risks of the Corporation, and crisis management.</p> <p>The Company has an internal audit department tasked with directly reporting to the Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee or the Board, in accordance with a yearly approved Audit Plan and in certain instances, on special audit matters.</p>
<b>Recommendation 2.12</b>			
<p>1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.</p>	<p>Compliant</p>	<p><i>Provide link to the company's website where the Board Charter is disclosed.</i></p> <p><b><u>Links/References are as follows:</u></b></p>	
<p>2. Board Charter serves as a guide to the directors in the performance of their functions.</p>	<p>Compliant</p>	<p><b>Website: Board Committee Charters</b>  <a href="https://www.marcventuresholdings.com/Board_Committee_Charters">https://www.marcventuresholdings.com/Board Committee Charters</a></p>	



3. Board Charter is publicly available and posted on the company's website.	Compliant	<p><b>2016 Revised Manual of Corporate Governance</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance</b>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a></p>	
<b>Additional Recommendation to Principle 2</b>			
1. Board has a clear insider trading policy.	Compliant	<p><i>Provide information on or link/reference to a document showing company's insider trading policy.</i></p> <p><b>Links/References are as follows:</b></p> <p><b>Insider Trading Policy</b>  <a href="https://www.marcventuresholdings.com/insider_trading_policy">https://www.marcventuresholdings.com/insider_trading_policy</a></p> <p>In addition to the foregoing Policy, the Company adheres to the rules and regulations of the Security and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE).</p>	
<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.	Compliant	<p><i>Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any.</i></p> <p><b>Links/References are as follows:</b></p> <p>The Company does not have an express policy specifically on the grant of loans to directors. However, such</p>	

		<p>transaction should be within the ambit of the Material Related Party Transactions Policy:</p> <p><b>Material Related Party Transactions Policy</b>  <a href="https://marcventuresholdings.com/material_related_party_transactions_policy">https://marcventuresholdings.com/material_related_party_transactions_policy</a></p>	
2. Company discloses the types of decision requiring board of directors' approval.	Compliant	<p><i>Indicate the types of decision requiring board of directors' approval and where there are disclosed.</i></p> <p><b>Links/References are as follows:</b></p> <p><b>PSE Disclosure: PSE Edge Website</b>  <a href="https://edge.pse.com.ph/companyDisclosures/form.do?company_id=175">https://edge.pse.com.ph/companyDisclosures/form.do?company_id=175</a></p> <p><b>SEC Form 17-A (Annual Report)</b>  <a href="https://www.marcventuresholdings.com/sec_form_17_a_annual_report">https://www.marcventuresholdings.com/sec_form_17_a_annual_report</a></p> <p><b>SEC Form 17-C Reports</b>  <a href="https://www.marcventuresholdings.com/sec_form_17_c_current_report">https://www.marcventuresholdings.com/sec_form_17_c_current_report</a></p> <p><b>2021 Disclosures</b>  <a href="https://www.marcventuresholdings.com/2021_disclosures">https://www.marcventuresholdings.com/2021_disclosures</a></p>	

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

**Recommendation 3.1**



<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><i>Provide information or link/reference to a document containing information on all the board committees established by the company.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p><b>PSE Disclosure – Results of Organizational meeting</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=327738986a4389375d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=327738986a4389375d542af6f1e997b9</a></p> <p><b>Board Committees</b>  <a href="https://marcventuresholdings.com/board_committees">https://marcventuresholdings.com/board_committees</a></p> <p><b>2021 General Information Sheet, Ref: page 4</b>  <a href="https://marcventuresholdings.com/private/any/d42WRrXi7chGhmjP-1633417465.pdf">https://marcventuresholdings.com/private/any/d42WRrXi7chGhmjP-1633417465.pdf</a></p>	
<b>Recommendation 3.2</b>			
<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><i>Provide information or link/reference to a document containing information on the Audit Committee, including its functions.</i></p> <p><i>Indicate if it is the Audit Committee’s responsibility to recommend the appointment and removal of the company’s external auditor.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p><b>Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee Charter</b>  <a href="https://marcventuresholdings.com/private/any/mwz50qDtSMPQPiDJ-1594800571.pdf">https://marcventuresholdings.com/private/any/mwz50qDtSMPQPiDJ-1594800571.pdf</a></p> <p><b>2016 Revised Manual of Corporate Governance, Ref: Item 3(3.2)</b></p>	

		<p><a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 3(3.2)</b>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a></p>	
<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	<p>Compliant</p>	<p><i>Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p><b>PSE Disclosure – Results of Organizational Meeting</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=327738986a4389375d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=327738986a4389375d542af6f1e997b9</a></p> <p><b>Board Committees</b>  <a href="https://marcventuresholdings.com/board_committees">https://marcventuresholdings.com/board_committees</a></p> <p>See <b>website</b> for information about Atty. Carlos Alfonso T. Ocampo, Mr. Augusto C. Serafica, Jr., and Mr. Kwok Yam Ian Chan;</p> <p>Currently, the members of the Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee are:</p> <ul style="list-style-type: none"> <li>• Chairman: Atty. Carlos Alfonso T. Ocampo (Independent Director; Non-Executive)</li> <li>• Member: Augusto C. Serafica, Jr. (Non-Executive Director)</li> <li>• Member: Kwok Yam Ian Chan (Independent Director; Non-Executive Director)</li> </ul>	

		<p><a href="https://www.marcventuresholdings.com/mhi_bod_o campo">https://www.marcventuresholdings.com/mhi_bod_o campo</a></p> <p><a href="https://www.marcventuresholdings.com/mhi_bod_se rafica">https://www.marcventuresholdings.com/mhi_bod_se rafica</a></p> <p><a href="https://marcventuresholdings.com/ian_chan">https://marcventuresholdings.com/ian_chan</a></p> <p><b>SEC Form 20-IS, Ref: Item 5: Directors and Executive Officers, pages 7 to 13</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p> <p><b>2021 General Information Sheet, Ref: page 4</b>  <a href="https://marcventuresholdings.com/private/any/d42WRrXi7chGhmjP-1633417465.pdf">https://marcventuresholdings.com/private/any/d42WRrXi7chGhmjP-1633417465.pdf</a></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><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></p> <p><b><u>Links/References are as follows:</u></b></p> <p>See <b>website</b> for Information about Atty. Carlos Alfonso T. Ocampo, Mr. Augusto C. Serafica, Jr., and Mr. Kwok Yam Ian Chan.</p> <p><a href="https://www.marcventuresholdings.com/mhi_bod_o campo">https://www.marcventuresholdings.com/mhi_bod_o campo</a></p>	

		<a href="https://www.marcventuresholdings.com/mhi_bod_serafica">https://www.marcventuresholdings.com/mhi_bod_serafica</a>  <a href="https://marcventuresholdings.com/ian_chan">https://marcventuresholdings.com/ian_chan</a>  <b>SEC Form 20-IS, Ref: Item 5: Directors and Executive Officers, pages 9-11</b> <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a>	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Non-compliant	<p><i>Provide information or link/reference to a document containing information on the Chairman of the Audit Committee.</i></p> <p><b>Links/References are as follows:</b></p> <p><b>PSE Disclosure – Results of Organizational Meeting</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=327738986a4389375d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=327738986a4389375d542af6f1e997b9</a></p> <p><b>Board Committees</b>  <a href="https://marcventuresholdings.com/board_committees">https://marcventuresholdings.com/board_committees</a>   <a href="https://www.marcventuresholdings.com/mhi_bod_ocampo">https://www.marcventuresholdings.com/mhi_bod_ocampo</a></p>	<p>The Company’s Audit Committee functions is also supplemented by its Corporate Governance, Risk Oversight, and Related Party Transactions committee functions.</p> <p>Atty. Carlos Alfonso T. Ocampo, an independent non-executive director, is the current Chairman of the Audit, Corporate Governance, Risk Oversight, and Related Party Transaction Committee.</p> <p>Considering the size, structure and operations of the Company, several committees were merged into one committee with analogous functions.</p>
<b>Supplement to Recommendation 3.2</b>			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	<p><i>Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.</i></p>	Not applicable. There were no non-audit services conducted by an external auditor for the year 2021.



<p>2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.</p>	<p>Non-Compliant</p>	<p><i>Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.</i></p>	<p>The Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee conducts meetings with the external audit team with representatives from the Management to explain the operations of the subsidiaries. However, the Committee has direct accesses to the external audit team at any point in time.</p>
<p><b>Optional: Recommendation 3.2</b></p>			
<p>1. Audit Committee meet at least four times during the year.</p>	<p>Compliant</p>	<p><i>Indicate the number of Audit Committee meetings during the year and provide proof.</i></p> <p>The Audit Committee held six (6) meetings for the year 2021.</p>	
<p>2. Audit Committee approves the appointment and removal of the internal auditor.</p>	<p>Non-complaint</p>	<p><i>Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.</i></p>	<p>The Company has a Head of Internal Audit whose appointment was approved by the Board in 2020.</p> <p>In 2021, there was no instance where an internal auditor was removed.</p>
<p><b>Recommendation 3.3</b></p>			
<p>1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were</p>	<p>Compliant</p>	<p><i>Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions.</i></p> <p>Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.</p>	

<p>formerly assigned to a Nomination and Remuneration Committee.</p>		<p><b><u>Links/References are as follows:</u></b></p> <p><b>2016 Revised Manual of Corporate Governance, Ref: Item 3(3.3)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 3(3.3)</b>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a></p> <p>Currently, the functions of Corporate Governance Committee can be found under the Nominations and Corporate Governance Committee Charter. The Company will endeavor to update its charters to conform to the Company committees' reorganization since the functions of the Corporate Governance Committee are exercised by the Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee.</p> <p><b>Nominations and Corporate Governance Committee Charter</b>  <a href="https://marcventuresholdings.com/private/any/q36KkFN5nEQQdDJf-1594801199.pdf">https://marcventuresholdings.com/private/any/q36KkFN5nEQQdDJf-1594801199.pdf</a></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><i>Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p><b>PSE Disclosure – Results of Organizational Meeting</b></p>	<p>The functions of the Corporate Governance Committee are exercised by the Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee.</p>

		<p><a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=327738986a4389375d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=327738986a4389375d542af6f1e997b9</a></p> <p><b>Board Committees</b> <a href="https://marcventuresholdings.com/board_committees">https://marcventuresholdings.com/board_committees</a></p> <p>See <b>website</b> for Information about Atty. Carlos Alfonso T. Ocampo, Mr. Augusto C. Serafica, Jr., and Mr. Kwok Yam Ian Chan</p> <p><a href="https://www.marcventuresholdings.com/mhi_bod_o campo">https://www.marcventuresholdings.com/mhi_bod_o campo</a></p> <p><a href="https://www.marcventuresholdings.com/mhi_bod_se rafica">https://www.marcventuresholdings.com/mhi_bod_se rafica</a></p> <p><a href="https://marcventuresholdings.com/ian_chan">https://marcventuresholdings.com/ian_chan</a></p> <p><b>SEC Form 20-IS, Ref: Item 5: Directors and Executive Officers, pages 9 and 11</b> <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p> <p><b>2021 General Information Sheet, Ref: page 4</b> <a href="https://marcventuresholdings.com/private/any/d42WRrXi7chGhmjP-1633417465.pdf">https://marcventuresholdings.com/private/any/d42WRrXi7chGhmjP-1633417465.pdf</a></p>	<p>MHI only has two (2) independent directors in the Board who are both members of the Corporate Governance Committee – Atty. Carlos Alfonso T. Ocampo and Mr. Kwok Yam Ian Chan – who were both reelected as Independent Directors during the 03 September 2021 Annual Stockholders’ Meeting and Organizational Meeting.</p> <p>Currently, the members of the Corporate Governance Committee are:</p> <ul style="list-style-type: none"> <li>• Chairman: Atty. Carlos Alfonso T. Ocampo (Independent Director; Non-Executive Director)</li> <li>• Member: Augusto C. Serafica, Jr. (Non-Executive Director)</li> <li>• Member: Kwok Yam Ian Chan (Independent Director; Non-Executive Director)</li> </ul>
<p>3. Chairman of the Corporate Governance Committee is an independent director.</p>	<p>Compliant</p>	<p><i>Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.</i></p>	

		<p>Atty. Carlos Alfonso T. Ocampo, the Chairman of MHI's Corporate Governance Committee, is an Independent Director as per MHI 2021 General Information Sheet.</p> <p><b><u>Links/References are as follows:</u></b></p> <p><b>PSE Disclosure – Results of Organizational Meeting</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=327738986a4389375d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=327738986a4389375d542af6f1e997b9</a></p> <p><b>Board Committees</b>  <a href="https://marcventuresholdings.com/board_committees">https://marcventuresholdings.com/board_committees</a></p> <p><b>SEC Form 20-IS, Ref: Item 5: Directors and Executive Officers, page 11</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p> <p><b>2021 General Information Sheet, Ref: page 4</b>  <a href="https://marcventuresholdings.com/private/any/d42WRrXi7chGhmjP-1633417465.pdf">https://marcventuresholdings.com/private/any/d42WRrXi7chGhmjP-1633417465.pdf</a></p>	
<b>Optional: Recommendation 3.3</b>			
1. Corporate Governance Committee meet at least twice during the year.	Non-complaint	Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.	The Corporate Governance Committee did not have any meeting for the year 2021.
<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	<p>Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions.</p> <p><b><u>Links/References are as follows:</u></b></p>	Considering the size, structure and operations of the Company, it does not have a separate BROC. The Board is assisted by the Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee

		<p><b>2016 Revised Manual of Corporate Governance, Ref: Item 3(3.4)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 3(3.4)</b>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a></p> <p><b>Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee Charter</b>  <a href="https://marcventuresholdings.com/private/any/mwz50qDtSMPQPIDJ-1594800571.pdf">https://marcventuresholdings.com/private/any/mwz50qDtSMPQPIDJ-1594800571.pdf</a></p>	<p>with responsibility for risk oversight as outlined in its committee charter.</p> <p><b>Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee Charter</b>  <a href="https://marcventuresholdings.com/private/any/mwz50qDtSMPQPIDJ-1594800571.pdf">https://marcventuresholdings.com/private/any/mwz50qDtSMPQPIDJ-1594800571.pdf</a></p> <p>The establishment of a separate BROCC may not be necessary at this point considering the Company’s minimal independent operations; being highly dependent on the performance of its subsidiaries which have their own independent audit, risk and control measures.</p>
<p>2. BROCC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p>	<p>Complaint</p>	<p><i>Provide information or link/reference to a document containing information on the members of the BROCC, including their qualifications and type of directorship.</i></p> <p><b>PSE Disclosure – Results of Organizational Meeting</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=327738986a4389375d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=327738986a4389375d542af6f1e997b9</a></p> <p><b>Board Committees</b>  <a href="https://marcventuresholdings.com/board_committees">https://marcventuresholdings.com/board_committees</a></p> <p>Currently, the members of the Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee are:</p> <ul style="list-style-type: none"> <li>• Chairman: Atty. Carlos Alfonso T. Ocampo (Independent Director; Non-Executive)</li> </ul>	

		<ul style="list-style-type: none"> <li>• Member: Augusto C. Serafica, Jr. (Non-Executive Director)</li> <li>• Member: Kwok Yam Ian Chan (Independent Director; Non-Executive Director)</li> </ul> <p><a href="https://www.marcenturesholdings.com/mhi_bod_o_campo">https://www.marcenturesholdings.com/mhi_bod_o_campo</a></p> <p><a href="https://www.marcenturesholdings.com/mhi_bod_se_rafica">https://www.marcenturesholdings.com/mhi_bod_se_rafica</a></p> <p><a href="https://marcenturesholdings.com/ian_chan">https://marcenturesholdings.com/ian_chan</a></p> <p><b>SEC Form 20-IS, Ref: Item 5: Directors and Executive Officers, pages 7 to 13</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p> <p><b>2021 General Information Sheet, Ref: page 4</b>  <a href="https://marcenturesholdings.com/private/any/d42WRrXi7chGhmjP-1633417465.pdf">https://marcenturesholdings.com/private/any/d42WRrXi7chGhmjP-1633417465.pdf</a></p>	
<p>3. The Chairman of the BROCC is not the Chairman of the Board or of any other committee.</p>	<p>Non-complaint</p>	<p><i>Provide information or link/reference to a document containing information on the Chairman of the BROCC.</i></p> <p>The Chairman of the BROCC is also the Chairman of the Audit, Corporate Governance, and Related Party Transactions Committees.</p> <p><a href="https://www.marcenturesholdings.com/mhi_bod_o_campo">https://www.marcenturesholdings.com/mhi_bod_o_campo</a></p> <p><b>PSE Disclosure – Results of Organizational Meeting</b></p>	

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4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Complaint	<p><i>Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.</i></p> <p>The members of the BROC are also the members of the Audit, Corporate Governance, and Related Party Transactions Committees.</p> <p><a href="https://www.marcenturesholdings.com/mhi_bod_o campo">https://www.marcenturesholdings.com/mhi_bod_o campo</a></p> <p><a href="https://www.marcenturesholdings.com/mhi_bod_se rafica">https://www.marcenturesholdings.com/mhi_bod_se rafica</a></p> <p><a href="https://marcenturesholdings.com/ian_chan">https://marcenturesholdings.com/ian_chan</a></p> <p><b>SEC Form 20-IS, Ref: Item 5: Directors and Executive Officers, pages 7 to 13</b></p> <p><a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p>	
<b>Recommendation 3.5</b>			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	<p><i>Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.</i></p> <p>The functions of the Related Party Transactions Committee are exercised by the Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee.</p>	

		<p><b>2016 Revised Manual of Corporate Governance, Ref: Item 3(3.5)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 3(3.5)</b>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a></p> <p><b>Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee Charter</b>  <a href="https://marcventuresholdings.com/private/any/mwz50qDtSMPQPiDj-1594800571.pdf">https://marcventuresholdings.com/private/any/mwz50qDtSMPQPiDj-1594800571.pdf</a></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>Complaint</p>	<p><i>Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p><b>PSE Disclosure – Results of Organizational Meeting</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=327738986a4389375d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=327738986a4389375d542af6f1e997b9</a></p> <p><b>Board Committees</b>  <a href="https://marcventuresholdings.com/board_committees">https://marcventuresholdings.com/board_committees</a></p> <p>See <b>website</b> for Information about Atty. Carlos Alfonso T. Ocampo, Mr. Augusto C. Serafica, Jr., and Mr. Kwok Yam Ian Chan.</p> <p>Currently, the members of the Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee are:</p>	



		<ul style="list-style-type: none"> <li>• Chairman: Atty. Carlos Alfonso T. Ocampo (Independent Director; Non-Executive)</li> <li>• Member: Augusto C. Serafica, Jr. (Non-Executive Director)</li> <li>• Member: Kwok Yam Ian Chan (Independent Director; Non-Executive Director)</li> </ul> <p><a href="https://www.marcventuresholdings.com/mhi_bod_o campo">https://www.marcventuresholdings.com/mhi_bod_o campo</a></p> <p><a href="https://www.marcventuresholdings.com/mhi_bod_serafic a">https://www.marcventuresholdings.com/mhi_bod_serafic a</a></p> <p><a href="https://marcventuresholdings.com/ian_chan">https://marcventuresholdings.com/ian_chan</a></p> <p><b>SEC Form 20-IS, Ref: Item 5: Directors and Executive Officers, pages 7 to 13</b> <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p> <p><b>2021 General Information Sheet, Ref: page 4</b> <a href="https://marcventuresholdings.com/private/any/d42WRrXi7chGhmjP-1633417465.pdf">https://marcventuresholdings.com/private/any/d42WRrXi7chGhmjP-1633417465.pdf</a></p>	
<b>Recommendation 3.6</b>			
<p>1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.</p>	<p>Compliant</p>	<p><i>Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.</i></p> <p><b><u>Links/References are as follows:</u></b> <b>Board Committee Charters</b></p>	

<p>2. Committee Charters provide standards for evaluating the performance of the Committees.</p>	<p>Complaint</p>	<p><a href="https://www.marcventuresholdings.com/Board_Committee_Charters">https://www.marcventuresholdings.com/Board_Committee_Charters</a></p> <p><b>2016 Revised Manual of Corporate Governance, Ref: Item 3(3.6)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 3(3.7)</b>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a></p> <p><b>Amended By-Laws dated May 29, 2015</b>  <a href="https://marcventuresholdings.com/private/any/spFlsYOA2eizh03B-1594888098.pdf">https://marcventuresholdings.com/private/any/spFlsYOA2eizh03B-1594888098.pdf</a></p>	
<p>3. Committee Charters were fully disclosed on the company's website.</p>	<p>Compliant</p>	<p><i>Provide link to company's website where the Committee Charters are disclosed.</i></p> <p><b>Board Committee Charters</b>  <a href="https://www.marcventuresholdings.com/Board_Committee_Charters">https://www.marcventuresholdings.com/Board_Committee_Charters</a></p>	
<p>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.</p>			
<p><b>Recommendation 4.1</b></p>			
<p>1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings.</p>	

	<p><i>Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.</i></p> <p>Notices of regular and special meetings sent by the Corporate Secretary/Asst. Corporate Secretary to the Board members as well as to Committee members in case of committee meetings include the statement <u>“To further safeguard everyone’s health and safety in view of the ongoing COVID-19 pandemic, we still highly encourage attendees to attend the Audit Committee meeting via teleconferencing (Zoom). Attached herewith are the instructions on how to connect via Zoom (see Annex “A”). However, representatives of the Office of the Corporate Secretary will also be present on-site to assist Audit Committee members who may opt to attend in person.</u></p> <p><u>Your presence is earnestly requested. Kindly advise the undersigned of your attendance and whether you will be attending the meeting in person or by teleconference facilities xxx” (See sample notice attached as Annex “C”)</u></p> <p><b>Board Attendance 2021</b> - See attached separate sheet attached as <b>Annex “D”</b>.</p> <p><b>Links/References are as follows:</b></p> <p><b>2016 Revised Manual of Corporate Governance, Ref: Item 4(4.1)</b></p>	
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		<a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a>  <b>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 4(4.1)</b> <a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a>	
<b>Board Attendance 2021</b> - See attached separate sheet attached as <b>Annex "D"</b> .			
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	<p>The Asst. Corporate Secretary sends email notification to the Board on the Agenda of the meeting at least five (5) business days before the scheduled meeting and provides advance copies of the materials (memoranda and reports) both via email and printed copies before the meeting. See sample screenshots of the emails (<b>Annex "A"</b>).</p> <p><b>2016 Revised Manual of Corporate Governance, Ref: Item 4(4.1)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance Ref: Article 3, Item 4(4.1)</b>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a></p>	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	<p><i>Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors.</i></p> <p>The Members of the Board and Committee actively participate in Board and Committee Meetings by asking questions or clarifications.</p>	

		<p>See <b>Annex “E”</b> (portion of the Minutes of the Joint Meeting of the Audit Committee of MHI and Marcventures Mining and Development Corporation (MMDC), one of MHI’s subsidiaries, dated 12 April 2021) where Atty. Ocampo, Chairman of the Audit Committee of MHI, requested clarification on the recoverability of limonite relative to MMDC’s operations.</p> <p><b><u>Links/References are as follows:</u></b></p> <p><b>2016 Revised Manual of Corporate Governance, Ref:</b> <i>Item 4(4.1)</i> <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance</b> <i>Ref: Article 3, Item4(4.1)</i> <a href="https://marcventuresholdings.com/private/any/4uEwMydrlzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrlzpvJaUj-1594353541.pdf</a></p>	
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**Recommendation 4.2**

<p>1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management’s proposals/views, and oversee the long-term strategy of the company.</p>	<p>Compliant</p>	<p><i>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</i></p> <p><i>Provide information or reference to a document containing information on the directorships of the company’s directors in both listed and non-listed companies.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p><b>2016 Revised Manual of Corporate Governance, Ref: Item 4(4.2)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance</b>  <i>Ref: Article 3, Item 4(4.2)</i>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a></p> <p><b>SEC From 20-IS, Ref: Item 5: Directors and Executive Officers, pages 7-13</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p> <p><b>PSE Disclosure: 2021 Annual Report, Ref: Item 9: Directors and Executive Officers of the Registrant, pages 29-33</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f</a></p>	
<p><b>Recommendation 4.3</b></p>			
<p>1. The directors notify the company’s board before accepting a directorship in another company.</p>	<p>Compliant</p>	<p>Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.</p> <p><b><u>Links/References are as follows:</u></b></p>	

		<p><b>2016 Revised Manual of Corporate Governance, Ref: Item 4(4.3)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance</b>  <i>Ref: Article 3, Item 4(4.3)</i>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a></p> <p>For 2021, the members of the Board had no report on their additional directorship from another company.</p>	
<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	Currently, the Company does not have an executive director who serves in more than two boards of listed companies outside of the group.	
2. Company schedules board of directors' meetings before the start of the financial year.	Compliant	The Company sets the board of directors' meeting schedule at the start of the year.	
3. Board of directors meet at least six times during the year.	Compliant	<p><i>Indicate the number of board meetings during the year and provide proof.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p>In 2021, the Board of Directors held seven (7) meetings.</p> <p><b>Board Attendance 2021</b> - See attached separate sheet attached as <b>Annex "D"</b>.</p>	

<p>4. Company requires as minimum quorum of at least 2/3 for board decisions.</p>	<p>Non-Compliant</p>	<p><i>Indicate the required minimum quorum for board decisions.</i></p>	<p>The Board observes the requirement of the Revised Corporation Code of the Philippines and the Company by-laws which provides majority of the board to constitute quorum.</p> <p><b>Sec. 52 of the Revised Corporation Code of the Philippines provides:</b>  “Unless the articles of incorporation or the by-laws provides for a greater majority, a majority of the directors as stated in the articles of incorporation shall constitute a quorum to transact corporate business, and every decision reached by at least a majority of the directors constituting a quorum, except for the election of officers which shall require the vote of a majority of all the members of the board, shall be valid as a corporate act.”</p> <p><b>Amended By-Laws dated May 29, 2015</b>  <a href="https://marcventuresholdings.com/private/any/spFlsYOA2eizh03B-1594888098.pdf">https://marcventuresholdings.com/private/any/spFlsYOA2eizh03B-1594888098.pdf</a></p> <p><b>Section 2, Article II. of the Amended By-Laws dated May 29, 2015 provides</b> “xxx A majority of the Board of Directors at a meeting duly assembled shall be necessary to</p>
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			constitute a quorum for the transaction of business, and the act of majority of a quorum so present shall be valid as a corporate act.”
<b>Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs.</b>			
<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><i>Provide information or link/reference to a document containing information on the number of independent directors in the board.</i></p> <p><b>Links/References are as follows:</b>  <b>2021 General Information Sheet, Ref: page 4</b>  <a href="https://marcventuresholdings.com/private/any/d42WRrXi7chGhmjP-1633417465.pdf">https://marcventuresholdings.com/private/any/d42WRrXi7chGhmjP-1633417465.pdf</a></p> <p><b>PSE Disclosure – Results of Organizational Meeting</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=327738986a4389375d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=327738986a4389375d542af6f1e997b9</a></p>	<p>The Company currently has two (2) independent directors (Atty. Carlos Alfonso T. Ocampo and Mr. Kwok Yam Ian Chan).</p> <p>The Company currently has nine (9) directors in the board in accordance with its Amended AOI dated 28 March 2022 decreasing the number of directors from 11 to 9.</p>
<b>Recommendation 5.2</b>			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	<p><i>Provide information or link/reference to a document containing information on the qualifications of the independent directors.</i></p> <p><b>Links/References are as follows:</b>  <b>2016 Revised Manual of Corporate Governance, Ref: Item 5(5.2)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p>	

		<p><b>2020 Revised Manual on Corporate Governance</b>  <i>Ref: Article 3, Item 5(5.3)</i>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a></p> <p><b>SEC Form 20-IS, Ref: Item 5: Directors and Executive Officers, pages 13 to 14</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p> <p>See <b>website</b> for Information about Atty. Carlos Alfonso T. Ocampo and Mr. Kwok Yam Ian Chan.</p> <p><a href="https://www.marcventuresholdings.com/mhi_bod_ocampo">https://www.marcventuresholdings.com/mhi_bod_ocampo</a></p> <p><a href="https://marcventuresholdings.com/ian_chan">https://marcventuresholdings.com/ian_chan</a></p>	
<b>Supplement to Recommendation 5.2</b>			
<p>1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.</p>	<p>Compliant</p>	<p><i>Provide link/reference to a document containing information that directors are not constrained to vote independently.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p>The Company has no stockholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.</p> <p>Further, our 2016 and 2020 Revised Manuals on Corporate Governance provide that an independent director is a person who is independent of Management and the controlling stockholder, and is free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his</p>	

		<p>exercise of independent judgment in carrying out his responsibilities as a director.</p> <p>An independent director should possess such qualifications and stature that would enable him to effectively participate in the deliberations of the Board and ensure proper checks and balances, including prevention of conflicts of interest, the exercise of independent judgment on corporate affairs, proper oversight of managerial performance and balancing of competing demands of the Company.</p> <p><b>2016 Revised Manual of Corporate Governance, Ref: Item 5</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance</b>  <i>Ref: Article 3, Item 5</i>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a></p>	
<b>Recommendation 5.3</b>			
<p>1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).</p>	<p>Compliant</p>	<p><i>Provide information or link/reference to a document showing the years the IDs have served as such.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p><b>SEC Form 20-IS, Ref: Item 5: Directors and Executive Officers, pages 1-14</b></p>	

		<a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a>  No Independent Director has served for more than nine (9) years. In the instance of a retention, it shall be in compliance with SEC Memorandum Circular No. 4 series of 2017.	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	<i>Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director.</i>  <b><u>Links/References are as follows:</u></b>  <b>2016 Revised Manual of Corporate Governance, Ref: Item 5 (5.3)</b> <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a>  <b>2020 Revised Manual on Corporate Governance Ref: Article 3, Item 5(5.4)</b> <a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a>  The term limit of the Company's Independent Directors is in compliance with SEC Memorandum Circular No. 4 series of 2017.	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Compliant	<i>Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.</i>  <b><u>Links/References are as follows:</u></b>  No Independent Director has served for more than nine (9) years. In the instance of a retention, it shall be in	

		<p>compliance with SEC Memorandum Circular No. 4 series of 2017.</p> <p><b>SEC Form 20-IS, Ref: Item 5: Directors and Executive Officers, pages 13-14</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p>	
<b>Recommendation 5.4</b>			
<p>1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.</p>	<p>Compliant</p>	<p><i>Identify the company's Chairman of the Board and Chief Executive Officer.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p><b>Amended By-Laws dated May 29, 2015</b>  <a href="https://marcventuresholdings.com/private/any/spFlsYOA2eizh03B-1594888098.pdf">https://marcventuresholdings.com/private/any/spFlsYOA2eizh03B-1594888098.pdf</a></p> <p><b>Section 5, Article III of the Company's Amended By-Laws dated May 29, 2015 states:</b> "The President shall be the Chief Executive Officer of the Company. In addition to such duties as may be imposed on him by the Board of Directors, he shall, in the absence of Chairman of the Board, preside at all meetings of the Board of Directors, and shall act as temporary Chairman at and call to order all meetings of the stockholders of the Company. xxx"</p> <p>Mr. Cesar C. Zalamea is the Company's Chairman of the Board. Currently, the Company currently does not have a President due to the retirement of Mr. Isidro C. Alcantara, Jr., former President of the Company, effective 31 October 2020.</p>	

		<p><b>2021 General Information Sheet, Ref: page 4</b>  <a href="https://marcventuresholdings.com/private/any/d42WRrXi7chGhmjP-1633417465.pdf">https://marcventuresholdings.com/private/any/d42WRrXi7chGhmjP-1633417465.pdf</a></p> <p><b>SEC Form 20-IS, Ref: Item 5: Directors and Executive Officers</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p> <p><b>PSE Disclosure – Results of Organizational Meeting</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=327738986a4389375d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=327738986a4389375d542af6f1e997b9</a></p>	
<p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p>	<p>Complaint</p>	<p><i>Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer.</i></p> <p><i>Identify the relationship of Chairman and CEO or its equivalent position.</i></p> <p><b>Links/References are as follows:</b></p> <p><b>Amended By-Laws dated May 29, 2015</b>  <a href="https://marcventuresholdings.com/private/any/spFlsYOA2eizh03B-1594888098.pdf">https://marcventuresholdings.com/private/any/spFlsYOA2eizh03B-1594888098.pdf</a></p> <p><b>2016 Revised Manual of Corporate Governance, Ref: Item 2(2.3) and Item 5(5.4)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance</b>  <i>Ref: Article 3, Item 1(1.2) and Item 5(5.5)</i>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a></p>	

Recommendation 5.5			
<p>1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.</p>	<p>Non-Compliant</p>	<p><i>Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any.</i></p> <p><i>Indicate if Chairman is independent.</i></p>	<p>There are currently two (2) independent directors (Atty. Carlos Alfonso T. Ocampo and Mr. Kwok Yam Ian Chan). Mr. Kwok Yam Ian Chan was elected Independent Director in the 25 September 2020 Regular Meeting of the Board.</p> <p>The present Chairman, Mr. Cesar C. Zalamea, is a non-executive director. While he is not an independent director, however, he is more than capable to lead the Board.</p> <p>The Board does not have a designated lead director among the independent directors.</p>
Recommendation 5.6			
<p>1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.</p>	<p>Compliant</p>	<p><i>Provide proof of abstention, if this was the case.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p>As a policy, directors with material or potential interest in a transaction abstain from taking part in deliberations of the transactions in which they have interest.</p> <p><b>Material Related Party Transactions Policy</b> <i>Ref: Article IV</i></p>	

		<p><a href="https://marcventuresholdings.com/material_related_party_transactions_policy">https://marcventuresholdings.com/material_related_party_transactions_policy</a></p> <p><a href="https://marcventuresholdings.com/assets/downloadable/MHI_MRPT_2_4_Oct_2019.pdf">https://marcventuresholdings.com/assets/downloadable/MHI_MRPT_2_4_Oct_2019.pdf</a></p> <p>Further, a director with a material or potential interest in a transaction affecting the Company is guided by the Company's 2016 and 2020 Revised Manuals on Corporate Governance.</p> <p><b>2016 Revised Manual of Corporate Governance, Ref: Item 5(5.6)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance</b>  Ref: Article 3, Item 5(5.7)  <a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a></p> <p>There was no transaction in 2021 where a director had a material or potential interest in any transaction affecting the Company that could have impelled him to abstain from taking part in the deliberations.</p>	
<b>Recommendation 5.7</b>			
<p>1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.</p>	<p>Non-Complaint</p>	<p><i>Provide proof and details of said meeting, if any.</i></p> <p><i>Provide information on the frequency and attendees of meetings.</i></p>	<p>While the non-executive directors do not have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, the Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee</p>





<p>2. The meetings are chaired by the lead independent director.</p>	<p>Non-Compliant</p>		<p>meets with the external auditor and head of internal audit, compliance and risk functions of the Company's subsidiaries to discuss interim and annual financial statements of the Company.</p> <p>Meetings are chaired by the Committee chairman who acts as lead independent director for said committee.</p>
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**Optional: Principle 5**

<p>1. None of the directors is a former CEO of the company in the past 2 years.</p>	<p>Non-Compliant</p>	<p><i>Provide name/s of company CEO for the past 2 years.</i></p>	<p><b>Amended By-Laws dated May 29, 2015</b>  <a href="https://marcventuresholdings.com/private/any/spFlsYOA2eizh03B-1594888098.pdf">https://marcventuresholdings.com/private/any/spFlsYOA2eizh03B-1594888098.pdf</a></p> <p><b>Section 5, Article III of the Company's Amended By-Laws dated May 29, 2015 states:</b> "The President shall be the Chief Executive Officer of the Company."</p> <p>Mr. Isidro C. Alcantara, Jr., prior to his retirement effective October 31, 2020, was the President of the Company for the past two (2) years. The President must be a director in accordance with Section 24 of the</p>
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			Revised Corporation Code of the Philippines. Being the President, Mr. Alcantara is also the CEO of the Company in accordance with the provision in the Company by-laws.
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**Assessing Board Performance**

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	<i>Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees.</i>  In 2021, the Company established a formal policy and processes for the conduct of an annual assessment of the performance of the Board as a body, of the Chairman, of each of the individual directors, and the committees for continual improvement and effective Board, Chairman, Committee and individual performance.  <b>Links/References are as follows:</b> <a href="https://marcventuresholdings.com/private/any/rZsiEFW5m58EBZzT-1653368939.pdf">https://marcventuresholdings.com/private/any/rZsiEFW5m58EBZzT-1653368939.pdf</a>	
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	<i>Identify the external facilitator and provide proof of use of an external facilitator.</i>	Given the current size and structure of the Company and the recently implemented of the Board Assessment Policy, the methodology adopted is one of self-assessment. In the future, the Board will determine whether the assessments are to be supported by an external facilitator .

**Recommendation 6.2**

<p>1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.</p>	<p>Compliant</p>	<p><i>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.</i></p> <p>In 2021, the Company established a formal policy and processes for the conduct of an annual assessment of the performance of the Board as a body, of the Chairman, of each of the individual directors, and the committees for continual improvement and effective Board, Chairman, Committee and individual performance.</p> <p><b>Links/References are as follows:</b>  <a href="https://marcventuresholdings.com/private/any/rZsiEFW5m58EBZzT-1653368939.pdf">https://marcventuresholdings.com/private/any/rZsiEFW5m58EBZzT-1653368939.pdf</a></p>	
<p>2. The system allows for a feedback mechanism from the shareholders.</p>	<p>Compliant</p>	<p><i>The Company has provided all the necessary contact details for feedback.</i></p> <p>Stockholders and stakeholders may raise their concerns or feedback through the company's Contact Us page:  <a href="https://www.marcventuresholdings.com/contact_us">https://www.marcventuresholdings.com/contact_us</a></p>	
<p><b>Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.</b></p>			
<p><b>Recommendation 7.1</b></p>			
<p>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</p>	<p>Compliant</p>	<p><i>Provide information on or link/reference to the company's Code of Business Conduct and Ethics.</i></p> <p><b>Links/References are as follows:</b>   <b>Code of Business Conduct and Ethics</b></p>	

<p>and practices in internal and external dealings of the company.</p>		<p><a href="https://www.marcventuresholdings.com/code_of_business_conduct_and_ethics">https://www.marcventuresholdings.com/code_of_business_conduct_and_ethics</a></p> <p><a href="https://marcventuresholdings.com/private/any/769qUI9AFYtA1iWq-1594799754.pdf">https://marcventuresholdings.com/private/any/769qUI9AFYtA1iWq-1594799754.pdf</a></p>	
<p>2. The Code is properly disseminated to the Board, senior management and employees.</p>	<p>Compliant</p>	<p><i>Provide information on or discuss how the company disseminated the Code to the members of the Board.</i></p> <p><b>Links/References are as follows:</b></p> <p>All directors were given a copy of the Company policies on Code of Business Conduct and Ethics. Said policies are accessible not only internally but publicly as well through the Company's website.</p> <p><b>Code of Business Conduct and Ethics</b>  <a href="https://www.marcventuresholdings.com/code_of_business_conduct_and_ethics">https://www.marcventuresholdings.com/code_of_business_conduct_and_ethics</a></p> <p><a href="https://marcventuresholdings.com/private/any/769qUI9AFYtA1iWq-1594799754.pdf">https://marcventuresholdings.com/private/any/769qUI9AFYtA1iWq-1594799754.pdf</a></p>	
<p>3. The Code is disclosed and made available to the public through the company website.</p>	<p>Compliant</p>	<p><i>Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed.</i></p> <p><b>Links/References are as follows:</b></p> <p><b>Code of Business Conduct and Ethics</b>  <a href="https://www.marcventuresholdings.com/code_of_business_conduct_and_ethics">https://www.marcventuresholdings.com/code_of_business_conduct_and_ethics</a></p> <p><a href="https://marcventuresholdings.com/private/any/769qUI9AFYtA1iWq-1594799754.pdf">https://marcventuresholdings.com/private/any/769qUI9AFYtA1iWq-1594799754.pdf</a></p>	

Supplement to Recommendation 7.1			
<p>1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.</p>	<p>Complaint</p>	<p><i>Provide information on or link/reference to a document containing information on the company's policy and procedure on curbing and penalizing bribery.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p><b>Gifts and Entertainment Policy</b>  <a href="https://marcventuresholdings.com/gifts_and_entertainment_policy">https://marcventuresholdings.com/gifts_and_entertainment_policy</a></p>	
Recommendation 7.2			
<p>1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.</p>	<p>Compliant</p>	<p><i>Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.</i></p> <p><i>Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p>The Board has the primary duty to make sure that the internal systems are in place to ensure the compliance with the Code of Business Conduct and Ethics and its internal policies and procedures of the Directors, officers, and employees in the performance of their duties and responsibilities and in their transaction with investors, creditors, contractors, vendors, suppliers, buyers, regulators, and the general public.</p> <p>The Company's Human Resources (HR) Department has the primary duty to implement and administer the Code of Business Conduct and Ethics and internal policies through onboarding orientation and refresher trainings.</p>	

2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	<p>The Board has the primary duty to make sure that the internal systems are in place to ensure the company's compliance with the Code and its internal policies and procedures</p> <p><b><u>Links/References are as follows:</u></b></p> <p><b>2016 Revised Manual of Corporate Governance, Ref: Item 7(7.2)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance Ref: Article 3, Item 7(7.2)</b>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a></p>	
<b>Disclosure and Transparency</b>			
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
<b>Recommendation 8.1</b>			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Compliant	<p><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></p> <p><b><u>Links/References are as follows:</u></b></p> <p>The Company adheres to the regulatory and reportorial requirements as set by the Securities and Exchange</p>	

		<p>Commission (SEC) and the Philippine Stock Exchange (PSE).</p> <p>Structured and non-structured reports and material information about the Company are disclosed and made available in the Company's website.</p> <p><b>Company Website</b>  <a href="http://www.marcventuresholdings.com">www.marcventuresholdings.com</a></p> <p><a href="https://marcventuresholdings.com/2021_disclosures">https://marcventuresholdings.com/2021_disclosures</a></p> <p><b>PSE Disclosure: 2021 Annual Report:</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f</a></p> <p><b>SEC Form 17-Q (Quarterly Report)</b>  <a href="https://marcventuresholdings.com/sec_form_17_q_quarterly_report">https://marcventuresholdings.com/sec_form_17_q_quarterly_report</a></p> <p><b>SEC Form 20-IS</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p> <p><b>PSE Disclosure: PSE Edge Website</b>  <a href="https://edge.pse.com.ph/companyDisclosures/form.do?company_id=175">https://edge.pse.com.ph/companyDisclosures/form.do?company_id=175</a></p> <p><b>Links/References are as follows:</b></p>	
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		<p><b>2016 Revised Manual of Corporate Governance, Ref: Item 8</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance</b>  Ref: Article 3, Item 8  <a href="https://marcventuresholdings.com/private/any/4uEwMydrlZpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrlZpvJaUj-1594353541.pdf</a></p>	
<b>Supplement to Recommendations 8.1</b>			
<p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.</p>	<p>Compliant</p>	<p><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></p> <p><b><u>Links/References are as follows:</u></b></p> <p>The Company submits financial reports in compliance with Rule 17.1 of the Securities Regulations Code (SRC) of the Philippines.</p> <p>17.1.1.1. The public and reporting companies shall file with the Commission:  17.1.1.1.1. An annual report on SEC Form 17-A for the fiscal year in which the registration statement was rendered effective by the Commission, and for each fiscal year thereafter, within one hundred five (105) calendar days after the end of the fiscal year.  17.1.1.1.2. A quarterly report on SEC Form 17-Q within forty-five (45) calendar days after the end of each of the first three quarters of each fiscal year. The first quarterly report of the Issuer shall be filed either within forty-five (45) calendar days after the effective date of the registration statement or on or before the date on which such report would have been required to be filed if the</p>	



		<p>Issuer had been required previously to file reports on SEC Form 17-Q, whichever is later.</p> <p>The Company's 2021 annual and quarterly reports were made available to the public on the following dates:</p> <ul style="list-style-type: none"> <li>• 1<sup>st</sup> Quarter 2021 (ended March 31, 2021) <ul style="list-style-type: none"> <li>- submitted to the SEC on 26 May 2021 (the SEC issued a Notice dated 19 May 2021 extending the deadline for the submission of Quarterly Reports (SEC Form 17-Q) for the period ended 31 March 2021 to 1 June 2021) and posted in the Company website on 27 May 2021;</li> </ul> </li> <li>• 2<sup>nd</sup> Quarter 2021 (ended June 30, 2021) <ul style="list-style-type: none"> <li>- Submitted to the SEC on 4 August 2021 and posted in the Company website on 8 August 2021;</li> </ul> </li> <li>• 3<sup>rd</sup> Quarter 2021 (ended September 30, 2021) <ul style="list-style-type: none"> <li>- submitted to the SEC on 10 November 2021 and posted in the Company website on 10 November 2021;</li> </ul> </li> <li>• FY 2021 (ended December 31, 2021) <ul style="list-style-type: none"> <li>- Submitted to the SEC on 13 May 2022 and posted in the Company website on 16 May 2022;</li> </ul> </li> </ul> <p>On 8 February 2022, the SEC issued SEC Memorandum Circular No. 2 Series of 2022 which provides for the extension of the filing of the 2021 Annual Reports for the</p>	
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		calendar year ended 31 December 2021 from 15 April 2022 to 15 May 2022.	
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><i>Provide link or reference to the company's annual report where the following are disclosed:</i></p> <ol style="list-style-type: none"> <li>1. <i>principal risks to minority shareholders associated with the identity of the company's controlling shareholders;</i></li> <li>2. <i>cross-holdings among company affiliates; and</i></li> <li>3. <i>any imbalances between the controlling shareholders' voting power and overall equity position in the company.</i></li> </ol> <p><b><u>Links/References are as follows:</u></b></p> <p>Please refer to the Annual report and Definitive Information Statement</p> <p><b>PSE Disclosure: 2021 Annual Report</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f</a></p> <p><b>SEC Form 20-IS, Ref: Item 4</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</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><i>Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share.</i></p> <p><i>Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.</i></p>	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	<p><b><u>Links/References are as follows:</u></b></p> <p>All Directors and officers are required to disclose/report to the Company any dealings in the company's shares in compliance with Section 13 of the PSE Disclosure Rules</p>	

		<p>and Rule 23 of the Securities Regulations Code of the Philippines.</p> <p><b>2016 Revised Manual of Corporate Governance, Ref: Item 8.2</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance</b>  <i>Ref: Article 3, Item 8.2</i>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrlZpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrlZpvJaUj-1594353541.pdf</a></p> <p><b>Insider Trading Policy</b>  <a href="https://www.marcventuresholdings.com/insider_trading_policy">https://www.marcventuresholdings.com/insider_trading_policy</a></p> <p><b>SEC Form 23 A/B (Statement of Beneficial Ownership)</b>  <a href="https://marcventuresholdings.com/sec_form_23_a_b_statement_of_beneficial_ownership">https://marcventuresholdings.com/sec_form_23_a_b_statement_of_beneficial_ownership</a></p> <p><b>SEC Form 20-IS</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p> <p><b>2021 General Information Sheet, Ref: page 4</b>  <a href="https://marcventuresholdings.com/private/any/d42WRrXi7chGhmjP-1633417465.pdf">https://marcventuresholdings.com/private/any/d42WRrXi7chGhmjP-1633417465.pdf</a></p>	
<p><b>Supplement to Recommendation 8.2</b></p>			

<p>1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).</p>	<p>Compliant</p>	<p><i>Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders.</i></p> <p><i>Provide link or reference to the company's Conglomerate Map.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p>All directors and officers disclose/report to the company any dealings in the company's shares in compliance with Section 13 of the PSE Disclosure Rules and Rules 18 &amp; 23 of the Securities Regulations Code of the Philippines.</p> <p><b>PSE Disclosure: 2021 Annual Report, Ref: Item 11</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f</a></p> <p><b>SEC Form 23 A/B (Statement of Beneficial Ownership)</b>  <a href="https://marcventuresholdings.com/sec_form_23_a_b_statement_of_beneficial_ownership">https://marcventuresholdings.com/sec_form_23_a_b_statement_of_beneficial_ownership</a></p> <p><b>SEC Form 20-IS, Item 4</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p> <p><b>Top 100 Stockholders List</b>  <a href="https://www.marcventuresholdings.com/top_100_stockholders_list">https://www.marcventuresholdings.com/top_100_stockholders_list</a></p> <p><b>Conglomerate Map</b>  <a href="https://www.marcventuresholdings.com/conglomerate_map">https://www.marcventuresholdings.com/conglomerate_map</a></p>	
<b>Recommendation 8.3</b>			
<p>1. Board fully discloses all relevant and material information on individual board</p>	<p>Compliant</p>	<p><i>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.</i></p>	

<p>members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>		<p><b><u>Links/References are as follows:</u></b></p> <p><b>PSE Disclosure: 2021 Annual Report, Ref: Item 9</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f</a></p> <p><b>SEC Form 20-IS, Item 5</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p>	
<p>2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	<p>Compliant</p>	<p><i>Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p><b>PSE Disclosure: 2021 Annual Report, Ref: Items 9 and 11</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f</a></p> <p><b>SEC Form 20-IS, Item 5</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p>	
<p><b>Recommendation 8.4</b></p>			
<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><i>Disclose or provide link/reference to the company policy and practice for setting board remuneration.</i></p> <p>Relevant and material information on individual board directors and key executives and Board and executive</p>	

		<p>remuneration, as well as the level and mix of the same, are available in the following:</p> <p><b>PSE Disclosure: 2021 Annual Report, Ref: Parts III and IV</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f</a></p> <p><b>SEC Form 20-IS, Ref: Item 6</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p> <p><b>2016 Revised Manual of Corporate Governance, Ref: Item 2(2.5)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 2(2.4)</b>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrlzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrlzpvJaUj-1594353541.pdf</a></p> <p>Material Information/Transactions are disclosed in the PSE Edge Website and Company Website:</p> <p><b>PSE Edge Website</b>  <a href="http://edge.pse.com.ph/companyDisclosures/form.do?company_id=175">http://edge.pse.com.ph/companyDisclosures/form.do?company_id=175</a></p> <p><b>Company Website</b>  <a href="http://www.marcventuresholdings.com">www.marcventuresholdings.com</a></p>	
2. Company provides a clear disclosure of its policies and procedure for setting	Compliant	Disclose or provide link/reference to the company policy and practice for determining executive remuneration.	

<p>executive remuneration, including the level and mix of the same.</p>		<p><b>2016 Revised Manual of Corporate Governance, Ref: Item 2(2.5)</b></p>	
<p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p>	<p>Compliant</p>	<p><a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 2(2.4)</b></p> <p><a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a></p> <p><b>PSE Disclosure: 2021 Annual Report, Ref: Item 10</b></p> <p><a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f</a></p>	
<p><b>Recommendation 8.5</b></p>			
<p>1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.</p>	<p>Compliant</p>	<p><i>Disclose or provide reference/link to company's RPT policies.</i></p> <p><i>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</i></p> <p>As a matter of policy and practice, directors with material interest in a transaction abstains from taking part in deliberations of the transactions in which they have interest.</p> <p><b><u>Links/References are as follows:</u></b></p> <p><b>2016 Revised Manual of Corporate Governance, Ref: Item 2(2.7)</b></p>	

		<a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a>  <b>2020 Revised Manual of Corporate Governance</b> <i>Ref: Article 3, Item 2(2.6)</i> <a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a>  <b>Material Related Party Transactions Policy</b> <a href="https://marcventuresholdings.com/assets/downloadable/MHI_MRPT_2_4_Oct_2019.pdf">https://marcventuresholdings.com/assets/downloadable/MHI_MRPT_2_4_Oct_2019.pdf</a>	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	<p><i>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</i></p> <ol style="list-style-type: none"> <li>1. <i>name of the related counterparty;</i></li> <li>2. <i>relationship with the party;</i></li> <li>3. <i>transaction date;</i></li> <li>4. <i>type/nature of transaction;</i></li> <li>5. <i>amount or contract price;</i></li> <li>6. <i>terms of the transaction;</i></li> <li>7. <i>rationale for entering into the transaction;</i></li> </ol> <p><i>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 other terms and conditions</i></p> <p><b>SEC Form 20-IS</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p> <p><b>PSE Disclosure: 2021 Annual Report, Ref: Item 12</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f</a></p>	
<b>Supplement to Recommendation 8.5</b>			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	<i>Indicate where and when directors disclose their interests in transactions or any other conflict of interests.</i>	



		<p>Directors are required to disclose their direct and indirect financial interest in any transaction that may affect the Company</p> <p><b>Links/References are as follows:</b></p> <p><b>SEC Form 17-C</b>  <a href="https://www.marcenturesholdings.com/sec_form_17_c_current_report">https://www.marcenturesholdings.com/sec_form_17_c_current_report</a></p> <p><b>Material Related Party Transactions Policy</b>  <i>Ref: Article VII</i>  <a href="https://marcenturesholdings.com/assets/downloadable/MHI_MRPT_2_4_Oct_2019.pdf">https://marcenturesholdings.com/assets/downloadable/MHI_MRPT_2_4_Oct_2019.pdf</a></p>	
<b>Optional : Recommendation 8.5</b>			
<p>1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.</p>	<p>Compliant</p>	<p><i>Provide link or reference where this is disclosed, if any.</i></p> <p><b>SEC Form 17-C</b>  <a href="https://www.marcenturesholdings.com/sec_form_17_c_current_report">https://www.marcenturesholdings.com/sec_form_17_c_current_report</a></p> <p><b>PSE Disclosure: 2021 Annual Report</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f</a></p> <p><b>Material Related Party Transactions Policy</b>  <i>Ref: Article V</i>  <a href="https://marcenturesholdings.com/assets/downloadable/MHI_MRPT_2_4_Oct_2019.pdf">https://marcenturesholdings.com/assets/downloadable/MHI_MRPT_2_4_Oct_2019.pdf</a></p>	

Recommendation 8.6			
<p>1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.</p>	Compliant	<p><i>Provide link or reference where this is disclosed.</i></p> <p><b>PSE Edge Website</b>  <a href="http://edge.pse.com.ph/companyDisclosures/form.do?company_id=175">http://edge.pse.com.ph/companyDisclosures/form.do?company_id=175</a></p> <p><b>Company Website</b>  <a href="http://www.marcventuresholdings.com">www.marcventuresholdings.com</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>	Compliant	<p><i>Identify independent party appointed to evaluate the fairness of the transaction price.</i></p> <p><i>Disclose the rules and procedures for evaluating the fairness of the transaction price, if any.</i></p> <p>As a matter of practice, the Company engages independent parties to evaluate certain transactions.</p>	
Supplement to Recommendation 8.6			
<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>	Compliant	<p><i>Provide link or reference where these are disclosed.</i></p> <p><b>PSE Edge Website</b>  <a href="http://edge.pse.com.ph/companyDisclosures/form.do?company_id=175">http://edge.pse.com.ph/companyDisclosures/form.do?company_id=175</a></p> <p><b>Company Website</b>  <a href="http://www.marcventuresholdings.com">www.marcventuresholdings.com</a></p> <p><b>SEC Form 17-C</b>  <a href="https://www.marcventuresholdings.com/sec_form_17_c_current_report">https://www.marcventuresholdings.com/sec_form_17_c_current_report</a></p>	
Recommendation 8.7			

<p>1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).</p>	<p>Compliant</p>	<p><i>Provide link to the company's website where the Manual on Corporate Governance is posted.</i></p> <p><b>2016 Revised Manual of Corporate Governance</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance</b>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a></p>	
<p>2. Company's MCG is submitted to the SEC and PSE.</p>	<p>Compliant</p>	<p><b>2020 Revised Manual on Corporate Governance (SEC with Cover Sheet)</b>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a></p> <p><b>PSE Submission/Disclosure</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=602885d588770a090de8473cebbd6407">https://edge.pse.com.ph/openDiscViewer.do?edge_no=602885d588770a090de8473cebbd6407</a></p>	
<p>3. Company's MCG is posted on its company website.</p>	<p>Compliant</p>	<p><b>2020 Revised Manual on Corporate Governance</b>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a></p>	
<p><b>Supplement to Recommendation 8.7</b></p>			
<p>1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.</p>	<p>Compliant</p>	<p><i>Provide proof of submission.</i></p> <p><b>2020 Revised Manual on Corporate Governance (SEC with Cover Sheet)</b>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a></p>	

		<b>PSE Submission/Disclosure</b> <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=602885d588770a090de8473cebbd6407">https://edge.pse.com.ph/openDiscViewer.do?edge_no=602885d588770a090de8473cebbd6407</a>	
<b>Optional: Principle 8</b>			
1. Does the company's Annual Report disclose the following information:		<i>Provide link or reference to the company's Annual Report containing the said information.</i>	
a. Corporate Objectives	Compliant	<b>PSE Disclosure: 2021 Annual Report, Ref: Item 1</b> <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f</a>	
b. Financial performance indicators	Compliant	<b>PSE Disclosure: 2021 Annual Report, Ref: Part II</b> <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f</a>	
c. Non-financial performance indicators	Compliant	<b>PSE Disclosure: 2021 Annual Report, Ref: Part II</b> <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f</a>	
d. Dividend Policy	Compliant	<b>PSE Disclosure: 2021 Annual Report, Ref: Part II, Item 5</b> <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f</a>  Subject to the availability of unrestricted retained earnings and the funding requirements of the Company's operations, the Company's policy is to declare regular dividends, whether cash, stock or property dividends, twice a year in such amounts and at such dates to be determined by the Board. The declaration of stock dividends is subject to stockholders' approval in accordance with the requirements of the Revised Corporation Code.	

e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant	<b>PSE Disclosure: 2021 Annual Report, Ref: Item 9</b> <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f</a>	
f. Attendance details of each director in all directors' meetings held during the year	Compliant	Please see Board Attendance under Recommendation 4.1 above  See also <b>Annex "D"</b> for Board Attendance of directors for 2021.	
g. Total remuneration of each member of the board of directors	Compliant	<b>PSE Disclosure: 2021 Annual Report, Ref: Item 10</b> <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f</a>	
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	<i>Provide link or reference to where this is contained in the Annual Report.</i>  The Corporate Governance portion has been removed from the Annual report as per SEC memorandum 5 series of 2013 item 5 which states:  "V. The Corporate Governance section in the Annual Report (SEC Form 17-A) shall be deleted."	
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational,	Compliant	<i>Provide link or reference to where this is contained in the Annual Report.</i>  Statement of Management's Responsibility for Financial Statements (attached to the consolidated FS)	

financial and compliance controls) and risk management systems.		<b>PSE Disclosure: 2021 Annual Report</b> <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f</a>	
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	<i>Provide link or reference to where this is contained in the Annual Report.</i>  Audit services provided to the Company by external auditor have been pre-approved by the Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee. The Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee has reviewed the magnitude and nature of these services to ensure that they are compatible with maintaining the independence of the external auditor.	
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).	Compliant	<i>Provide link or reference to where these are contained in the Annual Report.</i>  <u>Annual Report Financial Risk Management Objectives and Policies of AFS attached</u>  <b>PSE Disclosure: 2021 Annual Report</b> <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f</a>	
<b>Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.</b>			
<b>Recommendation 9.1</b>			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	<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><u>Links/References are as follows:</u></b>	

		<p>The Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee considers only leading audit firms who are capable of providing quality and affordable services to the Company.</p> <p>As stated in the Company's 2016 and 2020 Revised Manual on Corporate Governance, it is the Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee's responsibility to, among others, recommend to the Board the appointment, reappointment, removal and fees of the External Auditor, duly accredited by the Commission, who should undertake an independent audit of the Company.</p> <p><b>Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee Charter</b>  <a href="https://marcventuresholdings.com/private/any/mwz50qDtSMPQPIDJ-1594800571.pdf">https://marcventuresholdings.com/private/any/mwz50qDtSMPQPIDJ-1594800571.pdf</a></p> <p><b>SEC Form 20-IS</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p> <p><b>2016 Revised Manual of Corporate Governance, Ref: Item 3(3.2) and Item 9(9.1)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance</b></p>	
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		<p><i>Ref: Article 3, Item 3(3.2) and Item 9(9.1)</i>  <a href="https://marcventuresholdings.com/private/any/4uEwMyd rLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMyd rLzpvJaUj-1594353541.pdf</a></p>	
<p>2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.</p>	Compliant	<p><i>Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p>The Company’s Audit, Corporate Governance, Oversight and Related Party Transaction Committee recommends to the Board of Directors the appointment of the external auditor and the fixing of the audit fees. The Board of Directors and the stockholders approve said recommendation.</p> <p>During the Company’s Annual Stockholder’s Meeting held on 3 September 2021, stockholders owning at least 2,200,718,570 shares representing at least 73% of the outstanding capital stock, voted in favor of approving the resolution while zero shares voted against and zero shares abstained on the motion.</p> <p><b>Website: Minutes of the Annual Stockholders’ Meeting dated 3 September 2021</b>  <a href="https://marcventuresholdings.com/private/any/OE3S0vDieHiDJEIM-1631013004.pdf">https://marcventuresholdings.com/private/any/OE3S0vDieHiDJEIM-1631013004.pdf</a></p>	
<p>3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.</p>	Compliant	<p><i>Provide information on or link/reference to a document containing the company’s reason for removal or change of external auditor.</i></p> <p>There has been no incidence where the Company has taken action with regard to the removal or change in the external auditor.</p>	



**Supplement to Recommendation 9.1**

<p>1. Company has a policy of rotating the lead audit partner every five years.</p>	<p>Compliant</p>	<p><i>Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p>Rotation of Lead audit partner is in compliance with Section 3(b)(ix), Rule 68 of the Securities and Regulations Code, as amended:</p> <p>(ix) Rotation of External Auditors The independent auditors or in the case of an audit firm, the signing partner, of the aforementioned regulated entities shall be rotated after every five (5) years of engagement. A two-year cooling off period shall be observed in the re-engagement of the same signing partner or individual auditor.</p> <p>The Company changed its lead audit partner. The previous account partner handling the Company, Belinda B. Fernando, who has been the handling partner since December 2013, was replaced by Carolina P. Angeles last 2018.</p> <p><b>SEC Form 20-IS, Ref: Item 7</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p>	
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**Recommendation 9.2**

<p>1. Audit Committee Charter includes the Audit Committee’s responsibility on:</p> <ul style="list-style-type: none"> <li>i. assessing the integrity and independence of external auditors;</li> <li>ii. exercising effective oversight to review and monitor the external auditor’s independence and objectivity; and</li> <li>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</li> </ul>	Compliant	<p><i>Provide link/reference to the company’s Audit Committee Charter.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p><b>Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee Charter</b>  <a href="https://marcventuresholdings.com/private/any/mwz50gDtSMPQPIDJ-1594800571.pdf">https://marcventuresholdings.com/private/any/mwz50gDtSMPQPIDJ-1594800571.pdf</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>	Compliant		
<b>Supplement to Recommendations 9.2</b>			
<p>1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.</p>	Compliant	<p><i>Provide link/reference to the company’s Audit Committee Charter.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p><b>Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee Charter</b>  <a href="https://marcventuresholdings.com/private/any/mwz50gDtSMPQPIDJ-1594800571.pdf">https://marcventuresholdings.com/private/any/mwz50gDtSMPQPIDJ-1594800571.pdf</a></p>	
<p>2. Audit Committee ensures that the external auditor has adequate quality control procedures.</p>	Compliant		

Recommendation 9.3			
<p>1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.</p>	Compliant	<p><i>Disclose the nature of non-audit services performed by the external auditor, if any.</i></p> <p>Covering Year 2021, there were no non-audit professional services performed by the Company's external auditor.</p>	
<p>2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.</p>	Compliant	<p><i>Provide link or reference to guidelines or policies on non-audit services.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p>The approval of the Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee is obtained before the external auditor is engaged to provide any permitted non-audit services.</p> <p><b>Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee Charter</b>  <a href="https://marcventuresholdings.com/private/any/mwz50qDtSMPQPIDJ-1594800571.pdf">https://marcventuresholdings.com/private/any/mwz50qDtSMPQPIDJ-1594800571.pdf</a></p> <p><b>2016 Revised Manual of Corporate Governance, Ref: Item 3(3.2) and 9(9.3)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 3(3.2) and Item 9(9.3)</b>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrlZpVJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrlZpVJaUj-1594353541.pdf</a></p>	

Supplement to Recommendation 9.3			
<p>1. Fees paid for non-audit services do not outweigh the fees paid for audit services.</p>	<p>Compliant</p>	<p><i>Provide information on audit and non-audit fees paid.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p>Covering Year 2021, there were no non-audit professional services performed by the Company's external auditor.</p> <p>The approval of the Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee is obtained before the external auditor is engaged to provide any permitted non-audit services.</p>	
Additional Recommendation to Principle 9			
<p>1. Company's external auditor is duly accredited by the SEC under Group A category.</p>	<p>Compliant</p>	<p><i>Provide information on company's external auditor, such as:</i></p> <ol style="list-style-type: none"> <li>1. <i>Name of the audit engagement partner;</i></li> <li>2. <i>Accreditation number;</i></li> <li>3. <i>Date Accredited;</i></li> <li>4. <i>Expiry date of accreditation; and</i></li> <li>5. <i>Name, address, contact number of the audit firm.</i></li> </ol> <p><b><u>Links/References are as follows:</u></b></p> <p><b>SEC Form 20-IS, Ref: Item 7</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p> <p>Carolina P. Angeles  BOA Accreditation No. 4782 valid until April 13, 2024  SEC Accreditation No. 86981-SEC Group A,  Issued March 24, 2020  Valid for Financial Periods 2019 to 2023  BIR Accreditation No. 08-005144-007-2019</p>	

		Valid until October 16, 2022 Reyes Tacandong & Company, Citibank Tower, 8741 Paseo de Roxas, Makati City	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	Compliant	<p><i>Provide information on the following:</i></p> <ol style="list-style-type: none"> <li>1. <i>Date it was subjected to SOAR inspection, if subjected;</i></li> <li>2. <i>Name of the Audit firm; and</i></li> <li>3. <i>Members of the engagement team inspected by the SEC.</i></li> </ol> <p><b><u>Links/References are as follows:</u></b></p> <p>Our auditor, RTC, has not yet been subjected to SOAR Inspection Program.</p>	
Principle 10: 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><i>Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.</i></p> <p><b>Website</b>  <a href="https://www.marcventuresholdings.com/">https://www.marcventuresholdings.com/</a></p> <p><a href="https://www.marcventuresholdings.com/3_birds_with_1_stone_MMDC_gets_integrated_management_system_certification">https://www.marcventuresholdings.com/3_birds_with_1_stone MMDC gets integrated management system certification</a></p> <p><b>2016 Revised Manual of Corporate Governance, Ref: Item 10</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual of Corporate Governance, Ref: Article 3, Item 10</b>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a></p>	
<p>2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.</p>	<p>Compliant</p>	<p><i>Provide link to Sustainability Report, if any. Disclose the standards used.</i></p> <p><b>PSE Disclosure: 2021 Annual Report with 2021 Sustainability Report</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f</a></p> <p>The Company used the standards set forth in SEC Memorandum Circular No. 4, Series of 2019 ("Sustainability Reporting Guidelines for Publicly-Listed Companies")</p>	

		<p><a href="https://www.marcventuresholdings.com/3_birds_with_1_stone_MMDC_gets_integrated_management_system_certification">https://www.marcventuresholdings.com/3_birds_with_1_stone MMDC gets integrated management system certification</a></p> <p>The Company's wholly-owned and operational subsidiary, Marcventures Mining and Development Corporation (MMDC), obtained its ISO 14001:2004 + Cor. 1:2009 Certification from TÜV Rheinland Cert GmbH, an International Certification Body performing system certification and training as well as providing third-party audit/certification based on various international standards. The certificate issued in favor of MMDC dated 16 May 2016 complies with DENR Administrative Order No. 2015-07 or otherwise known as Mandating Mining Contractors to Secure ISO 14001 Certifications and Republic Act No. 11058 or also known as An Act Strengthening Compliance with Occupational Safety and Health Standards and Providing Penalties for Violations Thereof. It confirms that MMDC's Environment Management Systems implemented for Mining and Shipping of Nickel Laterite Ore and Post-Mining Activities are compliant with International Standards.</p> <p>Going beyond regulatory demand, MMDC integrated three (3) management systems to raise business standards and more importantly, protect the environment and people. After rigorous, simultaneous audits, MMDC's Surigao Nickel Mining project obtained International Organization for Standardization (ISO) certification for Environmental Management System</p>	
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		<p>(ISO 14001:2015), Quality Management System (ISO 9001:2015), and the Occupational Health and Safety Management System (ISO18001:2007). The British certifying body National Quality Assurance (NQA), which granted MMDC the ISO certification in September 2017, also certified the Company's integrated Management Systems (IMS).</p> <p>A continued certification was issued by NQA Philippines, Inc. to MMDC for passing the Surveillance Audit for its Integrated Management System conducted on November 3-4, 2021, to wit:</p> <ul style="list-style-type: none"> <li>· ISO 9001:2015 - Quality Management System</li> <li>· ISO 14001:2015 - Environmental Management System</li> <li>· ISO 45001:2018 - Occupational Health and Safety Management System (migrated from OHSAS 18001:2007)</li> </ul>	
Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for an informed decision-making by investors, stakeholders and other interested users.			
<b>Recommendation 11.1</b>			
<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><b>Compliant</b></p>	<p><i>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.</i></p> <p><b>Links/References are as follows:</b></p> <p><b>Website</b>  <a href="https://www.marcventuresholdings.com/">https://www.marcventuresholdings.com/</a></p>	



Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:	Compliant	<p><i>Provide link to company website.</i></p> <p><b>Links/References are as follows:</b></p> <p><b>Website</b>  <a href="https://www.marcventuresholdings.com/">https://www.marcventuresholdings.com/</a></p>	
a. Financial statements/reports (latest quarterly)	Compliant	<p><b>Links/References are as follows:</b></p> <p><b>PSE Disclosure: 2021 Annual Report</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f</a></p> <p><b>SEC Form 17-Q (Quarterly Report)</b>  <a href="https://www.marcventuresholdings.com/sec_form_17_q_quarterly_report">https://www.marcventuresholdings.com/sec_form_17_q_quarterly_report</a></p> <p><b>PSE Disclosure: PSE Edge Website</b>  <a href="https://edge.pse.com.ph/companyDisclosures/form.do?company_id=175">https://edge.pse.com.ph/companyDisclosures/form.do?company_id=175</a></p>	
b. Materials provided in briefings to analysts and media	Compliant	<p><b>Website</b>  <a href="https://www.marcventuresholdings.com/">https://www.marcventuresholdings.com/</a></p>	
c. Downloadable annual report	Compliant	<p><b>PSE Disclosure: 2021 Annual Report</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f</a></p>	
d. Notice of ASM and/or SSM	Compliant	<p><b>Notice of Annual or Special Stockholders Meeting</b></p>	

		<a href="https://www.marcventuresholdings.com/notice_of_annual_or_special_stockholders_meeting">https://www.marcventuresholdings.com/notice_of_annual_or_special_stockholders_meeting</a>	
e. Minutes of ASM and/or SSM	Compliant	<b>Minutes of all General or Special Stockholders Meeting</b> <a href="https://www.marcventuresholdings.com/minutes_of_all_general_or_special_stockholders_meeting">https://www.marcventuresholdings.com/minutes_of_all_general_or_special_stockholders_meeting</a>	
f. Company's Articles of Incorporation and By-Laws	Compliant	<b>Articles of Incorporation / By-Laws</b> <a href="https://marcventuresholdings.com/articles_of_incorporation_by_laws">https://marcventuresholdings.com/articles_of_incorporation_by_laws</a>	
<b>Additional Recommendation to Principle 11</b>			
1. Company complies with SEC-prescribed website template.	Compliant	<b>Website</b> <a href="https://www.marcventuresholdings.com/">https://www.marcventuresholdings.com/</a>	
<b>Internal Control System and Risk Management Framework</b>			
<b>Strengthening Internal Control and Risk Management Systems</b>			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
<b>Recommendation 12.1</b>			
1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	<p><i>List quality service programs for the internal audit functions.</i></p> <p><i>Indicate frequency of review of the internal control system.</i></p> <p><b>Links/References are as follows:</b></p> <p>Part of the responsibilities of the Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee as provided under the Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee Charter is not only to assist the Board in the performance of its oversight responsibility for the system of internal control, but also to monitor and evaluate the adequacy and effectiveness of the</p>	

		<p>Company's internal control system, including financial reporting control and information technology security.</p> <p><b>Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee Charter</b>  <a href="https://marcventuresholdings.com/private/any/mwz50qDtSMPQPdJ-1594800571.pdf">https://marcventuresholdings.com/private/any/mwz50qDtSMPQPdJ-1594800571.pdf</a></p> <p><b>2016 Revised Manual of Corporate Governance, Ref: Item 3(3.2) and Item 12</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance</b>  <i>Ref: Article 3, Item 3(3.2) and Item 12</i>  <a href="https://marcventuresholdings.com/private/any/4uEwMyd rLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMyd rLzpvJaUj-1594353541.pdf</a></p>	
<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>Non-Compliant</p>	<p><i>Identify international framework used for Enterprise Risk Management.</i></p> <p><i>Provide information or reference to a document containing information on:</i></p> <ol style="list-style-type: none"> <li>1. <i>Company's risk management procedures and processes</i></li> <li>2. <i>Key risks the company is currently facing</i></li> <li>3. <i>How the company manages the key risks</i></li> </ol> <p><i>Indicate frequency of review of the enterprise risk management framework.</i></p>	<p>Although the Company has no comprehensive, enterprise wide ERM framework, the Company has an Enterprise Risk Management Policy  <a href="https://www.marcventuresholdings.com/enterprise_risk_management">https://www.marcventuresholdings.com/enterprise_risk_management</a></p> <p>It takes the good faith position that it already has in place the basic components of an ERM to address</p>

			<p>the various risks the Company is exposed to.</p> <p>The Board of Directors and Management assess the various risks involved in its operations, including the agreements, contracts and transactions the Company enters into. The Company has appointed an Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee whose duty and responsibilities include among others, the oversight of financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation, and crisis management.</p> <p><b>2016 Revised Manual of Corporate Governance, Ref: Item 2(2.11)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance</b>  <i>Ref: Article 3, Item 2(2.10)</i>  <a href="https://marcventuresholdings.com/p">https://marcventuresholdings.com/p</a></p>
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			<a href="private/any/4uEwMydrLzpvJaUj-1594353541.pdf">private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a>
<b>Supplement to Recommendations 12.1</b>			
1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	Compliant	<p><i>Provide information on or link/ reference to a document containing the company's compliance program covering compliance with laws and relevant regulations.</i></p> <p><i>Indicate frequency of review.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p>The Company is guided by the Securities Regulations Code, the Revised Corporate Code of the Philippines and PSE Disclosure Rules and other applicable laws with regard to compliance with laws and relevant regulations.</p> <p>The Company's compliance program includes compliance risk management, internal controls, training and awareness, compliance monitoring system of all legal and regulatory requirements per department/business unit and assurance through internal and external audits.</p> <p>Periodic reporting of compliance matters by functional units is conducted. Escalation protocols are placed to ensure timely reporting of compliance matters.</p>	
<b>Optional: Recommendation 12.1</b>			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to	Non-compliant	<i>Provide information on IT governance process.</i>	Although the company has yet to formalize the governance process covering IT issues, it has in place an Information Technology (IT)

<p>ensure that all key risks are identified, managed and reported to the board.</p>			<p>Department dedicated to handle disruption, cyber security, and disaster recovery, to ensure that all key risks are immediately identified, managed and reported to the Management.</p> <p>The Company's IT Department ensures early restoration of critical IT and communication services and systems to ensure continuous business operation of the Company.</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><i>Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.</i></p> <p>The Company's internal audit is in-house and is headed by Mr. Emerson P. Paulino, appointed Head of Internal Audit effective May 11, 2020.</p>	
<b>Recommendation 12.3</b>			
<p>1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.</p>	<p>Non-compliant</p>	<p><i>Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.</i></p>	<p>The Company has no CAE considering its minimal independent operations. However, an in-house internal audit team led by Mr. Emerson P. Paulino, with the rank of Assistant Vice-President, also performs the same functions for the Company's subsidiary, MMDC, and is seconded to MHI for this purpose.</p>

<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.</p>	<p>Non-compliant</p>		<p>The Company has no CAE considering its minimal independent operations. However, an in-house internal audit team led by Mr. Emerson P. Paulino, with the rank of Assistant Vice-President, also performs the same functions for the Company's subsidiary, MMDC, and is seconded to MHI for this purpose.</p>
<p>3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.</p>	<p>Non-compliant</p>	<p><i>Identify qualified independent executive or senior management personnel, if applicable.</i></p>	<p>The Company has no CAE considering its minimal independent operations. However, an in-house internal audit team led by Mr. Emerson P. Paulino, with the rank of Assistant Vice-President, also performs the same functions for the Company's subsidiary, MMDC, and is seconded to MHI for this purpose.</p>
<p><b>Recommendation 12.4</b></p>			
<p>1. Company has a separate risk management function to identify, assess and monitor key risk exposures.</p>	<p>Compliant</p>	<p><i>Provide information on company's risk management function.</i></p> <p>The Board of Directors and Management assess the various risks involved in its operations, including the agreements, contracts and transactions it enters into. The Company has appointed an Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee whose duty and responsibilities include among others, the oversight of financial</p>	

		management functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Company, and crisis management.	
<b>Supplement to Recommendation 12.4</b>			
1. Company seeks external technical support in risk management when such competence is not available internally.	Compliant	<p><i>Identify source of external technical support, if any.</i></p> <p>The Company did not encounter any matter which will require external technical support in risk management.</p>	
<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).	Compliant	<p><i>Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.</i></p> <p>Considering the size, structure and operations of the Company, the functions of a Chief Risk Officer is being performed by the Company's AVP for Risk Management.</p> <p>Effective May 11, 2020, the Company appointed via secondment, Mr. Emerson P. Paulino as its Chief Risk Officer.</p> <p><b><u>Links/References are as follows:</u></b></p> <p><b>2016 Revised Manual of Corporate Governance, Ref: Item 12(12.5)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance Ref: Article 3, Item 2(2.7.1)</b>  <a href="https://marcventuresholdings.com/private/any/4uEwMyd rLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMyd rLzpvJaUj-1594353541.pdf</a></p>	



<p>2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.</p>	<p>Compliant</p>	<p>Considering the size, structure and operations of the Company, the functions of a Chief Risk Officer is being performed by the Company's AVP for Risk Management.</p> <p>Effective May 11, 2020, the Company appointed via secondment Mr. Emerson P. Paulino as its Chief Risk Officer.</p> <p><b>Links/References are as follows:</b></p> <p><b>2016 Revised Manual of Corporate Governance, Ref: Item 12(12.5)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance Ref: Article 3, Item 2(2.7.1)</b>  <a href="https://marcventuresholdings.com/private/any/4uEwMyd rLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMyd rLzpvJaUj-1594353541.pdf</a></p>	
<b>Additional Recommendation to Principle 12</b>			
<p>1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.</p>	<p>Compliant</p>	<p><i>Provide link to CEO and CAE's attestation.</i></p> <p>The CEO and the Audit Committee attest to the audit requirements of the Company through the Statement of Management Responsibility attached to the Financial Statements.</p> <p>Links/References are as follows:</p> <p><b>PSE Disclosure: 2021 Annual Report</b></p>	

[https://edge.pse.com.ph/openDiscViewer.do?edge\\_no=680c590630eb1efb3470cea4b051ca8f](https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f)

**Cultivating a Synergic Relationship with Shareholders**

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

**Recommendation 13.1**

<p>1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.</p>	<p>Compliant</p>	<p><i>Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p><b>2016 Revised Manual of Corporate Governance, Ref: Item 13(13.1)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance</b>  <i>Ref: Article 3, Item 13(13.1)</i>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a></p>	
<p>2. Board ensures that basic shareholder rights are disclosed on the company's website.</p>	<p>Compliant</p>	<p><i>Provide link to company's website.</i></p> <p><b>2016 Revised Manual of Corporate Governance, Ref: Item 13(13.1)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance</b>  <i>Ref: Article 3, Item 13(13.1)</i>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a></p>	

**Supplement to Recommendation 13.1**

<p>1. Company's common share has one vote for one share.</p>	<p>Compliant</p>	<p><b><u>Links/References are as follows:</u></b></p> <p>A share structure of "one vote per common share" is being practiced in the Company. Stockholders are given the right to participate in company decision-making pursuant to the one-share one-vote policy of the Company.</p> <p><b>SEC Form 20-IS</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p> <p><b>Amended By-Laws dated May 29, 2015</b>  <a href="https://marcventuresholdings.com/private/any/spFlsYOA2eizh03B-1594888098.pdf">https://marcventuresholdings.com/private/any/spFlsYOA2eizh03B-1594888098.pdf</a></p> <p><b>Section 3, Article I of the Company's Amended By-Laws dated May 29, 2015 states:</b> "At every meeting of the stockholders of the Company, every stockholder shall be entitled to one vote for each share of stock standing in his name in the books of the Company, provided, however, that in the case of the election of directors, every stockholder shall be entitled to accumulate his votes in accordance with the provisions of law in such case made and provided. xxx"</p>	
<p>2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.</p>	<p>Compliant</p>	<p><i>Provide information on all classes of shares, including their voting rights if any.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p><b>SEC Form 20-IS, Ref: Item 4</b></p>	

		<p><a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p> <p><b>Amended Articles of Incorporation dated December 29, 2017</b>  <a href="https://www.marcventuresholdings.com/private/any/mH4Bm5xJ9URUMtf9-1598496641.pdf">https://www.marcventuresholdings.com/private/any/mH4Bm5xJ9URUMtf9-1598496641.pdf</a></p> <p><b>Amended Articles of Incorporation dated 28 March 2022</b>  <a href="https://marcventuresholdings.com/private/any/lzOXBWaADL2OjNzR-1652751857.pdf">https://marcventuresholdings.com/private/any/lzOXBWaADL2OjNzR-1652751857.pdf</a></p> <p><b>Amended By-Laws dated May 29, 2015</b>  <a href="https://marcventuresholdings.com/private/any/spFlsYOA2eizh03B-1594888098.pdf">https://marcventuresholdings.com/private/any/spFlsYOA2eizh03B-1594888098.pdf</a></p> <p><b>Section 3, Article I of the Company’s Amended By-Laws dated May 29, 2015 states:</b> “At every meeting of the stockholders of the Company, every stockholder shall be entitled to one vote for each share of stock standing in his name in the books of the Company, provided, however, that in the case of the election of directors, every stockholder shall be entitled to accumulate his votes in accordance with the provisions of law in such case made and provided. Every stockholder entitled to vote at any meeting of the stockholders may so vote by proxy. xxx”</p>	
3. Board has an effective, secure, and efficient voting system.	Compliant	<p><i>Provide link to voting procedure. Indicate if voting is by poll or show of hands.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p><b>SEC Form 20-IS, Ref: Item 4</b></p>	

		<p><a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p> <p>The method and manner of counting the votes of shareholders shall be by via voice and/or by ballots. The votes shall be counted by the Corporate Secretary and Asst. Corporate Secretary, who shall be assisted by the stock transfer agent.</p> <p>During the 3 September 2021 Annual Stockholders' Meeting (ASM) of the Company, as a precautionary and safety measure in view of the Corona Virus Disease 2019 (Covid-19) pandemic, the Company held its ASM by remote communication or in absentia. Stockholders were provided with Procedure for Registration and Participation/Attendance and Voting. Stockholders were given option to vote during the 2021 ASM either (1) by Proxy or (2) by voting in absentia through the Company's Online Stockholder Voting System.</p>	
<p>4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.</p>	<p>Compliant</p>	<p><i>Provide information on shareholder voting mechanisms such as supermajority or "majority of minority", if any.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p>The Company observes the requirements of the Revised Corporation Code of the Philippines regarding the protection of the rights of minority shareholders, including corporate actions requiring supermajority votes (2/3 of outstanding capital stock) for fundamental matters affecting the Company.</p>	

<p>5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.</p>	<p>Compliant</p>	<p><i>Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution).</i></p> <p>There was no instance where the shareholders called for a special stockholders' meeting and submitted a proposal for consideration or agenda item at the AGM or special meeting. Nonetheless, the Board will allow according to by-laws.</p> <p><b>Amended By-Laws dated May 29, 2015</b>  <a href="https://marcventuresholdings.com/private/any/spFlsYOA2eizh03B-1594888098.pdf">https://marcventuresholdings.com/private/any/spFlsYOA2eizh03B-1594888098.pdf</a></p> <p><b>Section 2, Article I of the Company's Amended By-Laws dated May 29, 2015 states:</b> "Special meetings of the stockholders may be called by the President, or by order of the Board of Directors, whenever he or they shall deem it necessary, and it shall be the duty of the President to order and call such special meetings whenever the holders of record or not less than one-fourth (1/4) of the outstanding capital stock of the Company shall in writing so request."</p> <p>Further, according to the Company's 2020 Revised Manual on Corporate Governance, the right to propose the holding of meetings and items for inclusion in the agenda is given to all stockholders.</p> <p><b>2016 Revised Manual of Corporate Governance, Ref: Item 13(13.1)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p>	
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		<p><b>2020 Revised Manual on Corporate Governance</b>  <i>Ref: Article 3, Item 13(13.1)</i>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a></p>	
<p>6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.</p>	<p>Compliant</p>	<p><i>Provide information or link/reference to the policies on treatment of minority shareholders.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p>The Company promotes a culture of transparency with protection and equal respect of stockholder rights embodied in its 2020 Revised Manual on Corporate Governance.</p> <p><b>2016 Revised Manual of Corporate Governance, Ref:</b>  <i>Item 2(2.6), Item 13(13.1 and 13.2)</i>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance</b>  <i>Ref: Article 3, Item 2(2.5), Item 13(13.1 and 13.2)</i>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</a></p> <p>The minority shareholders should be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.</p>	

		<p>The minority shareholders should have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management should include such information and, if not included, then the minority shareholders can propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes".</p>	
<p>7. Company has a transparent and specific dividend policy.</p>	<p>Compliant</p>	<p><i>Provide information on or link/reference to the company's dividend Policy.</i></p> <p><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></p> <p><b><u>Links/References are as follows:</u></b></p> <p>The Company abides by the provision on the right to dividends in accordance with Section 42 of the Revised Corporation Code.</p> <p>Further, according to Article VI of the Amended By-Laws of the Corporation dated May 29, 2015, the Board of Directors may declare dividends only from the surplus profits arising from the business of the Corporation. Provided, however, that no stock or bond dividend shall be issued without the approval of stockholders representing not less than two-thirds (2/3) of all stock then outstanding and entitled to vote at the general or special meeting called for the purpose.</p> <p><b>Amended By-Laws dated May 29, 2015</b>  <a href="https://marcventuresholdings.com/private/any/spFlsYOA2eizh03B-1594888098.pdf">https://marcventuresholdings.com/private/any/spFlsYOA2eizh03B-1594888098.pdf</a></p>	



		<p><b>2016 Revised Manual of Corporate Governance, Ref: Item 13(13.1)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance</b>  <i>Ref: Article 3, Item 13(13.1)</i>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrlZpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrlZpvJaUj-1594353541.pdf</a></p> <p><b>PSE Disclosure: 2021 Annual Report</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f</a></p> <p>Subject to the availability of unrestricted retained earnings and the funding requirements of the Company's operations, it is the Company's policy to declare regular dividends, whether cash, stock or property dividends, twice a year in such amounts and at such dates to be determined by the Board. The declaration of stock dividends is subject to stockholders' approval in accordance with the requirements of the Revised Corporation Code of the Philippines.</p> <p><b>PSE Disclosure: Declaration of Cash Dividends</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=f99ffccb8acc7c75d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=f99ffccb8acc7c75d542af6f1e997b9</a></p> <p><b>PSE Disclosure: Amended Declaration of Cash Dividends</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=0dd136fc5aff7fd15d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=0dd136fc5aff7fd15d542af6f1e997b9</a></p>	
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		<p><b>Cash Dividends:</b></p> <table border="1"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="3">Date</th> <th colspan="2">Amount</th> </tr> <tr> <th>Declared</th> <th>Record</th> <th>Payable</th> <th>Dividends Per Share</th> <th>Total Declared (in millions)</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>Nov. 19, 2021</td> <td>Dec. 7, 2021</td> <td>Jan. 4, 2022</td> <td>₱0.13</td> <td>₱391.9</td> </tr> <tr> <td>2020</td> <td colspan="5">No dividends were declared for the year 2020</td> </tr> <tr> <td>2019</td> <td colspan="5">No dividends were declared for the year 2019</td> </tr> <tr> <td>2018</td> <td colspan="5">No dividends were declared for the year 2018</td> </tr> <tr> <td>2017</td> <td colspan="5">No dividends were declared for the year 2017</td> </tr> <tr> <td>2016</td> <td colspan="5">No dividends were declared for the year 2016</td> </tr> <tr> <td>2015</td> <td colspan="5">No dividends were declared for the year 2015</td> </tr> <tr> <td>2014</td> <td>Nov. 14, 2014</td> <td>Dec. 19, 2014</td> <td>Jan. 16, 2015</td> <td>₱0.15</td> <td>₱273.2</td> </tr> <tr> <td>2014</td> <td>Sept. 19, 2014</td> <td>Oct. 31, 2014</td> <td>Oct. 22, 2014</td> <td>0.15</td> <td>273.2</td> </tr> </tbody> </table> <p><b>Stock Dividends:</b> There were no stock dividends declared for years 2015 to 2021.</p>	Year	Date			Amount		Declared	Record	Payable	Dividends Per Share	Total Declared (in millions)	2021	Nov. 19, 2021	Dec. 7, 2021	Jan. 4, 2022	₱0.13	₱391.9	2020	No dividends were declared for the year 2020					2019	No dividends were declared for the year 2019					2018	No dividends were declared for the year 2018					2017	No dividends were declared for the year 2017					2016	No dividends were declared for the year 2016					2015	No dividends were declared for the year 2015					2014	Nov. 14, 2014	Dec. 19, 2014	Jan. 16, 2015	₱0.15	₱273.2	2014	Sept. 19, 2014	Oct. 31, 2014	Oct. 22, 2014	0.15	273.2	
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<p>1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.</p>	<p>Compliant</p>	<p><i>Identify the independent party that counted/validated the votes at the ASM, if any.</i></p> <p>The Company engaged the services of the below independent party to count and/or validate the votes at the Annual Stockholders' Meeting:</p> <p>STOCK TRANSFER SERVICE, INC. 34-D Rufino Pacific Tower, 6784 Ayala Avenue, Makati City, 1226 Philippines</p>																																																																		
<b>Recommendation 13.2</b>																																																																				
<p>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.</p>	<p>Compliant</p>	<p><i>Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out.</i></p> <p><i>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</i></p> <p><i>Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS).</i></p>																																																																		

		<p><b><u>Links/References are as follows:</u></b></p> <p>The Notice of the 2021 Annual Stockholders’ Meeting has been sent out to all stockholders on record on 9 and 10 August 2021 or no later than 21 calendar days before the 2021 Annual Stockholders’ Meeting held on 3 September 2021.</p> <p>There were no changes in remuneration as of the Last Annual Meeting.</p> <p><b><u>PSE Disclosure: SEC Form 17-C (Notice of Annual Stockholders’ Meeting)</u></b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=69d839c9a224e9805d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=69d839c9a224e9805d542af6f1e997b9</a></p> <p><b><u>PSE Disclosure: SEC Form 17-C (Amended Notice of Annual Stockholders’ Meeting)</u></b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=5ff7e421ed40d255d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=5ff7e421ed40d255d542af6f1e997b9</a></p> <p><b><u>SEC Form 20-IS</u></b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p>	
<b>Supplemental to Recommendation 13.2</b>			
<p>1. Company’s Notice of Annual Stockholders’ Meeting contains the following information:</p>	<p>Compliant</p>	<p><i>Provide link or reference to the company’s notice of Annual Shareholders’ Meeting.</i></p> <p><b><u>Links/References are as follows:</u></b></p>	

		<p><b>Notice of Annual or Special Stockholders' Meeting</b>  <a href="https://marcventuresholdings.com/notice_of_annual_or_special_stockholders_meeting">https://marcventuresholdings.com/notice_of_annual_or_special_stockholders_meeting</a></p> <p><b>PSE Disclosure: SEC Form 17-C (Notice of Annual Stockholders' Meeting)</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=69d839c9a224e9805d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=69d839c9a224e9805d542af6f1e997b9</a></p> <p><b>PSE Disclosure: SEC Form 17-C (Amended Notice of Annual Stockholders' Meeting)</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=e5ff7e421ed40d255d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=e5ff7e421ed40d255d542af6f1e997b9</a></p> <p><b>SEC Form 20-IS</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p>	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant	<p><b>SEC Form 20-IS, Ref: Item 5</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p>	
b. Auditors seeking appointment/re-appointment	Compliant	<p><b>SEC Form 20-IS, Item 7</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p>	
c. Proxy documents	Compliant	<p><b>SEC Form 20-IS, Ref: Proxy Form</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p>	
<b>Optional: Recommendation 13.2</b>			

<p>1. Company provides rationale for the agenda items for the annual stockholders meeting.</p>	<p>Compliant</p>	<p><i>Provide link or reference to the rationale for the agenda items.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p><b>SEC Form 20-IS, Ref: Agenda (Details and Rationale)</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=677b295ae37fb7075d542af6f1e997b9</a></p>	
<p><b>Recommendation 13.3</b></p>			
<p>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.</p>	<p>Compliant</p>	<p><i>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.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p>After the agenda is discussed, the floor is opened for questions from the shareholders. No questions were raised during the meeting.</p> <p>During the 3 September 2021 ASM, the Assistant Corporate Secretary of the Company certified that there were present at the meeting stockholders owning at least 2,200,718,570 shares representing at least 73% of the outstanding capital stock of the Company. Therefore, there was a quorum for the transaction of business.</p> <p><b>Minutes of All General or Special Stockholders' Meeting</b>  <a href="https://marcventuresholdings.com/minutes_of_all_general_or_special_stockholders_meeting">https://marcventuresholdings.com/minutes_of_all_general_or_special_stockholders_meeting</a></p>	

<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><i>Provide link to minutes of meeting in the company website.</i></p> <p><i>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.</i></p> <p><i>Indicate also if the voting on resolutions was by poll.</i></p> <p><i>Include whether there was opportunity to ask question and the answers given, if any.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p><b>Minutes of All General or Special Stockholders' Meeting</b>  <a href="https://marcventureholdings.com/minutes_of_all_general_or_special_stockholders_meeting">https://marcventureholdings.com/minutes_of_all_general_or_special_stockholders_meeting</a></p> <p>Minutes of the 2021 Annual Stockholders' Meeting were posted in the Company website on 7 September 2021 or within the five (5) business days from the end of the meeting.</p> <p>In 2021, the Company did not have Special Shareholders' Meeting.</p> <p>After the agenda is discussed, the floor is opened for questions from the shareholders. No questions were raised during the meeting.</p> <p>During the 3 September 2021 ASM, the Atty. Ana A. Katigbak, the Assistant Corporate Secretary of the Company, with the permission of the Corporate Secretary, certified that there were present at the</p>	
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		meeting stockholders owning at least 2,200,718,570 shares representing at least 73% of the outstanding capital stock of the Company. Therefore, there was a quorum for the transaction of business.	
<b>Supplement to Recommendation 13.3</b>			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders' questions during the ASM and SSM.	Compliant	<p><i>Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p>Representatives of Reyes Tacandong &amp; Co., including Ms. Carolina P. Angeles, were present during the 3 September 2021 ASM.</p>	
<b>Recommendation 13.4</b>			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	<p><i>Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p>There has been no instance of intra-corporate disputes. The 2020 Revised Manual on Corporate Governance provides that in cases of intra-corporate disputes, the Board of Directors may engage the services of a neutral third party to assist in the resolution of issues between the Corporation and stockholders, third parties and regulatory authorities. The alternative dispute mechanism may include arbitration, mediation, conciliation, early neutral evaluation, mini-trial, or any</p>	

		<p>combination thereof, as the Corporation and the circumstances sees fit.</p> <p><b>2016 Revised Manual of Corporate Governance, Ref: Item 13(13.4)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance</b>  <i>Ref: Article 3, Item 13(13.4)</i>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrlZpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrlZpvJaUj-1594353541.pdf</a></p>	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	<p><i>Provide link/reference to where it is found in the Manual on Corporate Governance.</i></p> <p><b>2016 Revised Manual of Corporate Governance, Ref: Item 13(13.4)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance</b>  <i>Ref: Article 3, Item 13(13.4)</i>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrlZpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrlZpvJaUj-1594353541.pdf</a></p>	
<b>Recommendation 13.5</b>			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	<p><i>Disclose the contact details of the officer/office responsible for investor relations, such as:</i></p> <ol style="list-style-type: none"> <li>1. Name of the person</li> <li>2. Telephone number</li> <li>3. Fax number</li> <li>4. E-mail address</li> </ol> <p><b><u>Links/References are as follows:</u></b></p>	



		<p>Mr. Lester C. Yee was appointed as the Assistant Vice President for Corporate Planning and Investor Relations Head effective July 14, 2020. Prior to his appointment, Mr. Reuben F. Alcantara, VP for Marketing, Business Development and Strategic Planning, was the Company's Investor Relations Head.</p> <p>Mr. Lee resigned from the Company effective 31 December 2021.</p> <p><b>Contact Us</b> <a href="https://www.marcventuresholdings.com/contact_us">https://www.marcventuresholdings.com/contact_us</a></p>	
2. IRO is present at every shareholder's meeting.	Compliant	<p><i>Indicate if the IRO was present during the ASM.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p>Mr. Lester C. Yee was present during the last ASM held on 3 September 2021.</p>	
<b>Supplemental 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><i>Provide information on how anti-takeover measures or similar devices were avoided by the board, if any.</i></p> <p>There has been no event so far that will require the Board to act and/or avoid anti-takeover measures or similar devices.</p>	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Compliant	<p><i>Indicate the company's public float.</i></p> <p><b><u>Links/References are as follows:</u></b></p>	

		<p>The Company's public float as of December 31, 2021 was at 37.46%.</p> <p><b>Public Ownership Report</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=b70c0d70cba8e263470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=b70c0d70cba8e263470cea4b051ca8f</a></p>	
<b>Optional: Principle 13</b>			
<p>1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting</p>	<p>Compliant</p>	<p><i>Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p>See below Company's practice to encourage stockholders' participation beyond ASM:</p> <p><b>(i) Dialogue between the Company and Investors.</b>  The Company recognizes the importance of accountability to its shareholders and through proper and timely dissemination of information on the Company's performance and major developments via appropriate channel of communication. Dissemination of information includes the distribution of the Annual Report and relevant circulars, issuance of press releases inclusive of quarterly financial performance of the Company to SEC and PSE Edge and the public via the Company's website (<a href="http://www.marventuresholdings.com">www.marventuresholdings.com</a>) which the shareholders can access for information.</p> <p><b>(ii) Annual Stockholders' Meeting ("ASM")</b>  The ASM is a platform for the Board and stockholders to communicate on the Company's</p>	

		<p>performance. At the ASM, stockholders are encouraged to seek clarification on any matters pertaining to the business and financial performance of the Company. Any item of special business included in the notice of the meeting will be accompanied by a full explanation of the effect of the proposed resolution which is then separately voted on. The stockholders are informed of their right to demand for poll prior to the commencement of each general meeting. Any enquiry regarding the Company and its group of companies may be conveyed to the following personnel:</p> <p>Atty. Maila G. De Castro Tel. No.: 8831-4479 Email: <a href="mailto:maila.decastro@marcventures.com.ph">maila.decastro@marcventures.com.ph</a></p>	
<p>2. Company practice secure electronic voting in absentia at the Annual Shareholders' Meeting.</p>	<p>Compliant</p>	<p><i>Disclose the process and procedure for secure electronic voting in absentia, if any.</i></p> <p>During the 3 September 2021 Annual Stockholders' Meeting (ASM) of the Company, as a precautionary and safety measure in view of the Corona Virus Disease 2019 (Covid-19) pandemic, the Company held its ASM by remote communication or in absentia. Stockholders were provided with Procedure for Registration and Participation/Attendance and Voting. Stockholders were given option to vote during the 2021 ASM either (1) by Proxy or (2) by voting in absentia through the Company's Online Stockholder Voting System.</p>	

Duties to Stakeholders

Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.

Recommendation 14.1

1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.

Compliant

*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.*

**Links/References are as follows:**

The Company's Stakeholders are the stockholders, Management, Board, employees, customers, suppliers and contractors, creditors and business partners, local government units, government agencies and the host communities and environment from which the business draws its resources.

**2016 Revised Manual of Corporate Governance, Ref:**  
*Item 14*

<https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf>

**2020 Revised Manual on Corporate Governance**

*Ref: Article 3, Item 14*

<https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf>

Recommendation 14.2

1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.

Compliant

*Identify policies and programs for the protection and fair treatment of company's stakeholders.*

**Links/References are as follows:**

		<p>The Company is guided by various Company policies, such as Insider Trading Policy, Whistle Blowing Policy, Gift and Entertainment Policy, and Material Related Party Transactions Policy.</p> <p><b>Company Policies</b>  <a href="https://marcventuresholdings.com/Companys_policy">https://marcventuresholdings.com/Companys_policy</a></p> <p><b>Code of Business Conduct and Ethics</b>  <a href="https://www.marcventuresholdings.com/code_of_business_conduct_and_ethics">https://www.marcventuresholdings.com/code_of_business_conduct_and_ethics</a></p> <p><a href="https://marcventuresholdings.com/private/any/769qUI9AFYtA1iWq-1594799754.pdf">https://marcventuresholdings.com/private/any/769qUI9AFYtA1iWq-1594799754.pdf</a></p> <p>The Company also discloses material information to adequately inform the stakeholders of the activities of the Company.</p> <p>Annual and Quarterly Reports and other Material Disclosures are available in the Company website and PSE Edge website.</p> <p><b>Company Website</b>  <a href="http://www.marcventuresholdings.com">www.marcventuresholdings.com</a></p> <p><b>PSE Disclosure: PSE Edge Website</b>  <a href="https://edge.pse.com.ph/companyDisclosures/form.do?company_id=175">https://edge.pse.com.ph/companyDisclosures/form.do?company_id=175</a></p>	
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		<p><b>2016 Revised Manual of Corporate Governance, Ref: Item 14(14.2)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance</b>  Ref: Article 3, Item 14(14.2)  <a href="https://marcventuresholdings.com/private/any/4uEwMydrlZpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrlZpvJaUj-1594353541.pdf</a></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><i>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.</i></p> <p><i>Provide information on whistleblowing policy, practices and procedures for stakeholders.</i></p> <p>Any inquiry regarding the Company and its group of companies may be conveyed to the following personnel:  Atty. Maila G. De Castro  Tel.#: 831-4479  Email: <a href="mailto:maila.decastro@marcventures.com.ph">maila.decastro@marcventures.com.ph</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><i>Provide information on the alternative dispute resolution system established by the company.</i></p> <p>A grievance policy for employees as well as for community complaints and disputes is in place.</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 presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	Compliant	<p><i>Disclose any requests for exemption by the company and the reason for the request.</i></p> <p>The Company complies with requirements of Corporation Code and the Securities Regulation Code. To the best of its knowledge, the Company has not sought for any exemption from the application of a law, rule or regulation that refers to a corporate governance issue.</p>	
2. Company respects intellectual property rights.	Compliant	<p>Provide specific instances, if any.</p> <p>The Company buys licensed software such as Microsoft, antivirus, database applications etc.</p>	
<b>Optional: Principle 14</b>			
1. Company discloses its policies and practices that address customers' welfare	Compliant	<p><i>Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same.</i></p>	Not applicable. The Company has no direct customers. Its sole operating subsidiary, MMDC, which is engaged in mining, sells its nickel ores to large-scale foreign buyers that are sophisticated enough with their market knowledge and depth of experience.
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Compliant	<p><i>Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same.</i></p>	Not applicable. The Company has no direct customers. Its sole operating subsidiary, MMDC, as a matter of practice, has an accreditation procedure to verify the financial,

			<p>legal, and technical qualifications of its contractors/vendors.</p> <p>A policy on selection procedures for selecting supplier/procedures is attached as <b>Annex "F"</b>.</p>
<p>Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.</p>			
<p><b>Recommendation 15.1</b></p>			
<p>1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.</p>	<p>Compliant</p>	<p><i>Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p>The Company treats its people as its primary asset in attaining its business objectives. Thus, the Company makes sure that its people are well cared for, respected, rewarded, and secured.</p> <p>The Company implements various programs involving its employees and encourage them to actively participate in the realization of the Company's goals and in its governance. This includes the conduct of general assemblies to encourage employee participation, regular dialogue and operations meetings.</p> <p><b>Our People</b>  <a href="https://www.marcventuresholdings.com/our_people">https://www.marcventuresholdings.com/our_people</a></p> <p><b>Health and Safety</b>  <a href="https://www.marcventuresholdings.com/health_and_safety">https://www.marcventuresholdings.com/health_and_safety</a></p>	



**Supplement to Recommendation 15.1**

<p>1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.</p>	<p>Non-compliant</p>	<p><i>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.</i></p>	<p>While the Company has no institutionalized or codified merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, the Company's short-term financial rewards (e.g. productivity bonuses) are based on employee performance and company performance.</p>
<p>2. Company has policies and practices on health, safety and welfare of its employees.</p>	<p>Compliant</p>	<p><i>Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p>The Company has policies in place regarding mining operations and safety procedures to reduce fatality, personal injury, illness, and property or environmental damage. Also, aside from ensuring compliance with government-mandated benefits, the Company also offers extra compensation that fulfill its employees' medical (employees are provided with Health Maintenance Organization (HMO) cards and annual physical examination), livelihood and educational needs. These extend to the employees' family members in the form of food subsidies, educational assistance, and health insurance.</p>	

		<p><b>Health and Safety</b>  <a href="https://www.marcventuresholdings.com/health_and_safety">https://www.marcventuresholdings.com/health_and_safety</a></p> <p><b>Our People</b>  <a href="https://www.marcventuresholdings.com/our_people">https://www.marcventuresholdings.com/our_people</a></p>	
<p>3. Company has policies and practices on training and development of its employees.</p>	<p>Compliant</p>	<p><i>Disclose and provide information on policies and practices on training and development of employees.</i></p> <p><i>Include information on any training conducted or attended.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p>Excellence, leadership, commitment, and integrity are values that represent the Company’s people philosophy. In order to realize this philosophy, the Company strives to provide rewarding opportunities and benefits to its employees and encourage them to maximize their fullest potential. The Company takes serious efforts to constantly hone and nurture its people because the Company views them as partners in providing value to its stakeholders.</p> <p>Employees are encouraged to obtain trainings and career developments relevant to their work and designed based on competencies and talent requirements of the individual employees. Some of the trainings, seminars, conferences include How to File Annual Reports Using SEC Online Submission Tool, Corporate Governance and Sustainability, Corporate Governance Seminar, and 2021 SEC-GRI Workshops for Publicly-Listed.</p>	
<p><b>Recommendation 15.2</b></p>			



<p>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.</p>	<p>Compliant</p>	<p><i>Identify or provide link/reference to the company's policies, programs and practices on anti-corruption.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p><b>Gifts and Entertainment Policy</b>  <a href="https://marcventuresholdings.com/gifts_and_entertainment_policy">https://marcventuresholdings.com/gifts_and_entertainment_policy</a></p> <p><b>2016 Revised Manual of Corporate Governance, Ref: Item 15(15.2)</b>  <a href="https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf">https://marcventuresholdings.com/private/any/manual-corporate-governance/MHI-MoCG-2016.pdf</a></p> <p><b>2020 Revised Manual on Corporate Governance Ref: Article 3, Item 15(15.2)</b>  <a href="https://marcventuresholdings.com/private/any/4uEwMydrlZpvJaUj-1594353541.pdf">https://marcventuresholdings.com/private/any/4uEwMydrlZpvJaUj-1594353541.pdf</a></p>	
<p>Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.</p>	<p>Compliant</p>	<p><i>Identify how the board disseminated the policy and program to employees across the organization.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p>The Board has the primary duty to make sure that the internal systems are in place to ensure the compliance with the Code of Business Conduct and Ethics and its internal policies and procedures of the directors, officers, and employees in the performance of their duties and responsibilities and in their transaction with investors, creditors, contractors, vendors, suppliers, buyers, regulators, and the general public.</p>	

		<p>The Company's Human Resources (HR) Department has the primary duty to implement and administer the Code of Business Conduct and Ethics and internal policies through onboarding orientation and refresher trainings.</p> <p>All directors and officers and employees are given a copy of the Company Code of Conduct.</p>	
<b>Supplement to Recommendation 15.2</b>			
<p>1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.</p>	Compliant	<p><i>Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices.</i></p> <p><i>Include any finding of violations of the company policy.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p><b>Gifts and Entertainment Policy</b>  <a href="https://marcventuresholdings.com/gifts_and_entertainment_policy">https://marcventuresholdings.com/gifts_and_entertainment_policy</a></p>	
<b>Recommendation 15.3</b>			
<p>1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation</p>	Compliant	<p><i>Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees.</i></p> <p><i>Indicate if the framework includes procedures to protect the employees from retaliation.</i></p> <p><i>Provide contact details to report any illegal or unethical behavior.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p><b>Whistle Blowing Policy</b>  <a href="https://www.marcventuresholdings.com/whistle_blowing_policy">https://www.marcventuresholdings.com/whistle_blowing_policy</a></p> <p><b>Material Related Party Transactions Policy</b></p>	

		<a href="https://marcventuresholdings.com/material_related_party_transactions_policy">https://marcventuresholdings.com/material_related_party_transactions_policy</a>	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant	<p><b><u>Links/References are as follows:</u></b></p> <p><b>Whistle Blowing Policy</b> <a href="https://www.marcventuresholdings.com/whistle_blowing_policy">https://www.marcventuresholdings.com/whistle_blowing_policy</a></p> <p><b>Material Related Party Transactions Policy</b> <a href="https://marcventuresholdings.com/material_related_party_transactions_policy">https://marcventuresholdings.com/material_related_party_transactions_policy</a></p>	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	<p><i>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.</i></p> <p><b><u>Links/References are as follows:</u></b></p> <p>As of December 31, 2021, there were no incidents reported through any of the identified whistleblower reporting channels.</p> <p><b>Whistle Blowing Policy</b> <a href="https://www.marcventuresholdings.com/whistle_blowing_policy">https://www.marcventuresholdings.com/whistle_blowing_policy</a></p> <p><b>Material Related Party Transactions Policy</b></p>	

		<a href="https://marcventuresholdings.com/material_related_party_transactions_policy">https://marcventuresholdings.com/material_related_party_transactions_policy</a>	
Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
<b>Recommendation 16.1</b>			
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><i>Provide information or reference to a document containing information on the company's community involvement and environment-related programs.</i></p> <p><b>Links/References are as follows:</b></p> <p><b>Company Website</b>  <a href="https://www.marcventuresholdings.com/">https://www.marcventuresholdings.com/</a></p> <p><b>Bringing Back Nature</b>  <a href="https://marcventuresholdings.com/bringing_back_nature">https://marcventuresholdings.com/bringing_back_nature</a></p> <p><b>Health</b>  <a href="https://marcventuresholdings.com/health">https://marcventuresholdings.com/health</a></p> <p><b>Education</b>  <a href="https://marcventuresholdings.com/education">https://marcventuresholdings.com/education</a></p> <p><b>Livelihood</b>  <a href="https://marcventuresholdings.com/livelihood">https://marcventuresholdings.com/livelihood</a></p> <p><b>Public Facilities</b>  <a href="https://marcventuresholdings.com/public_facilities">https://marcventuresholdings.com/public_facilities</a></p> <p><b>Socio Cultural Preservation</b>  <a href="https://marcventuresholdings.com/socio_cultural_preservation">https://marcventuresholdings.com/socio_cultural_preservation</a></p>	


		<p><b>Corporate Social Responsibility</b>  <a href="https://marcventuresholdings.com/socio_economic_contributions">https://marcventuresholdings.com/socio_economic_contributions</a></p>	
<b>Optional: Principle 16</b>			
<p>1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development.</p>	Compliant	<p><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></p> <p><b>Links/References are as follows:</b></p> <p><b>Bringing Back Nature</b>  <a href="https://marcventuresholdings.com/bringing_back_nature">https://marcventuresholdings.com/bringing_back_nature</a></p> <p><b>Corporate Social Responsibility</b>  <a href="https://marcventuresholdings.com/corporate_social_responsibility">https://marcventuresholdings.com/corporate_social_responsibility</a></p> <p><b>PSE Disclosure: 2021 Annual Report with 2021 Sustainability Report</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f</a></p>	
<p>2. Company exerts effort to interact positively with the communities in which it operates</p>	Compliant	<p><i>Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.</i></p> <p><b>Links/References are as follows:</b></p> <p><b>Health</b>  <a href="https://marcventuresholdings.com/health">https://marcventuresholdings.com/health</a></p>	

		<p><b>Education</b> <a href="https://marcventuresholdings.com/education">https://marcventuresholdings.com/education</a></p> <p><b>Livelihood</b> <a href="https://marcventuresholdings.com/livelihood">https://marcventuresholdings.com/livelihood</a></p> <p><b>Public Facilities</b> <a href="https://marcventuresholdings.com/public_facilities">https://marcventuresholdings.com/public_facilities</a></p> <p><b>Socio Cultural Preservation</b> <a href="https://marcventuresholdings.com/socio_cultural_preservation">https://marcventuresholdings.com/socio_cultural_preservation</a></p> <p><b>Corporate Social Responsibility</b> <a href="https://marcventuresholdings.com/corporate_social_responsibility">https://marcventuresholdings.com/corporate_social_responsibility</a></p> <p><b>PSE Disclosure: 2021 Annual Report with 2021 Sustainability Report</b> <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=680c590630eb1efb3470cea4b051ca8f</a></p>	
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Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Makati on MAY 30 2022.

### Signatures


  
\_\_\_\_\_  
**Cesar C. Zalamea**  
*Chairman of the Board*

  
\_\_\_\_\_  
**Carlos Alfonso T. Ocampo**  
*Independent Director*

  
\_\_\_\_\_  
**Maila Lourdes G. De Castro**  
*Co-Compliance Officer and Co-Assistant Corporate Secretary*

  
\_\_\_\_\_  
**Kwok Yam Ian Chan**  
*Independent Director*

  
\_\_\_\_\_  
**Ana Maria A. Katigbak,**  
*Compliance Officer and Assistant Corporate Secretary*

  
\_\_\_\_\_  
**Roberto V. San Jose**  
*Corporate Secretary*

REPUBLIC OF THE PHILIPPINES)

CITY OF MAKATI ) S. S.

**SUBSCRIBED AND SWORN TO** before me this MAY 30 of 2022, affiants exhibiting to me their valid identification, as follows:

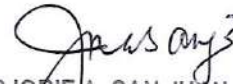
Name	Valid Identification	Expiry Date	Date/Place of Issue
Cesar C. Zalamea	TIN No. 137-712-551		
Kwok Yam Ian Chan	TIN No. 287-887-013		
Carlos Alfonso T. Ocampo	TIN No. 165-489-497		
Ana Maria A. Katigbak	TIN No. 173-182-955		
Maila Lourdes G. De Castro	TIN No. 209-980-102		
Roberto V. San Jose	TIN No. 126-470-483		

Doc. No. 108

Page No. 23

Book No. II

Series of 2022



**MARJORIE A. SAN JUAN**

Notary Public for Makati City

Appt. No. M-135 until 6/30/2022 per B.M. No. 3795, 9/28/2021

Roll of Attorneys No. 71296

IBP Membership No. 177402; 02/08/2022

PTR No. MKT-8857894MJ; 01/14/2022; Makati City;

MCLE Compliance No. VI-0013795; 10/12/2018;

Pasig City; Valid until 4/14/2022

4f BDO Towers (formerly Citi Center), Paseo de Roxas, Makati City

## June 25, 2021 Meeting of the Board of Directors

### Notice with Agenda was sent on June 11, 2021:



### Board Materials were sent on June 17 and 22, 2021



Maria De Castro [REDACTED]

Dear Chairman Estrella,  
Members of the Board of Directors of MHI and MMDC, and  
St. RSI:

Thank you for pre-allocating your presence and availability for the Board of Directors Meeting set for June 25, 2021, at 12:00 PM with the following meeting details:

Topic: MHI Board of Directors

Meeting Time: [June 25, 2021 12:00 PM \(Friday\)](#)

Meeting ID: [REDACTED]

Passcode: [REDACTED]

Please see attached Notice, Updated Agenda, Meeting Materials, and Board Book.

While we will endeavor to provide hard copies of the same prior to the meeting date, we request the Board's indulgence in referring and using the digital version thereof for purposes of this June 25, 2021 meeting as distributions, health, and safety protocols are still strictly in place at the Mutual Head Office.

Thank you, and as always, your presence is warmly appreciated.

ATTY. MAILA G. DE CASTRO, MBA  
Vice-President for Legal



4th Floor 8281 Queens Road  
874 Pines De Soto, Miami City  
Tel: 305 [REDACTED]  
Mobile: [REDACTED]  
Email: [REDACTED]

1                                    **MINUTES OF THE REGULAR MEETING OF**  
2                                    **THE BOARD OF DIRECTORS**

3  
4                                    **OF**

5  
6                                    **MARCVENTURES HOLDINGS, INC.**  
7                                    **(the "Corporation")**

8                                    Held on June 25, 2021 at the Corporation's principal office in Makati City  
9                                    and via remote communication (Zoom Meeting ID No. 873 7977 3594)<sup>1</sup>

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12                                    **DIRECTORS PRESENT:**

13                                    Mr. Cesar C. Zalamea (Director)  
14                                    Mr. Isidro C. Alcantara, Jr. (Director)  
15                                    Mr. Anthony M. Te (Director)  
16                                    Mr. Michael L. Escaler (Director)  
17                                    Ms. Marianne Regina T. Dy (Director)  
18                                    Ms. Ruby K. Sy (Director)  
19                                    Mr. Augusto C. Serafica, Jr. (Director)  
20                                    Atty. Carlos Alfonso T. Ocampo (Independent Director)  
21                                    Mr. Kwok Yam Ian Chan (Independent Director)

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23                                    **ABSENT:**

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25                                    None

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27                                    **ALSO PRESENT:**

28                                    Mr. Daniel Oliver T. Dy (Director, MMDC)  
29                                    Engr. Eduardo M. Francisco (Consulting Operations Head)  
30                                    Mr. Reuben F. Alcantara (SVP for Marketing, Business Development and Strategic  
31                                    Planning, MMDC)  
32                                    Atty. Maila G. de Castro (VP for Legal, Assistant Corporate Secretary)  
33                                    Mr. Dale A. Tongco (VP for Controllership, MMDC)  
34                                    Ms. Deborra C. Ilagan (VP for Human Resources and Administration)  
35                                    Mr. Ric F. Macabidang (AVP - Budget and Cost Control, MMDC)  
36                                    Mr. Elmer O. Purisima (AVP - Finance and Accounting, MMDC)  
37                                    Mr. Emerson P. Paulino (AVP - Internal Audit/Head of Audit, MMDC)  
38                                    Engr. Bernard P. Baluda (AVP for Compliance, Acquisitions, and Tenements  
39                                    Management, MMDC)  
40                                    Ms. Arlene A. Morales (BRC Project Head)  
41                                    Ms. Jayvhel T. Guzman (SBP Project Head)

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<sup>1</sup> The meeting was held jointly with the regular board meeting of Marcventures Mining and Development Corporation ("MMDC") on June 25, 2021.

42 Ms. Leslie V. Medalla (Treasury Manager)  
 43 Mr. Neil L. Samosa (Manager - Human Resources & Administration; Human  
 44 Resources)  
 45 Ms. May D. Tristeza (Senior Financial Audit Manager);  
 46 Atty. Reuben O. General (MMDC Co-Assistant Corporate Secretary; Senior Legal  
 47 Counsel)  
 48 Atty. Roberto V. San Jose (Corporate Secretary)  
 49 Atty. Ana Maria A. Katigbak (Assistant Corporate Secretary)  
 50 Atty. Marjorie A. San Juan (MMDC Assistant Corporate Secretary; Legal Counsel)  
 51 Atty. Kenneth Peter D. Molave (Legal Counsel)  
 52 Atty. Dana Genevieve dela Cruz (Legal Associate, Castillo Laman Tan Pantaleon & San  
 53 Jose)  
 54 Atty. Frances Adele U. Esteron (Legal Associate, Castillo Laman Tan Pantaleon & San  
 55 Jose)

56  
 57 **I. CALL TO ORDER**  
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59 The Chairman, Mr. Cesar C. Zalamea, called the meeting to order and presided  
 60 over the same. With the permission of the Corporate Secretary, Atty. Roberto V. San Jose,  
 61 the Assistant Corporate Secretary, Atty. Ana Maria A. Katigbak (“Atty. Katigbak”),  
 62 recorded the minutes of the proceedings. The proceedings were recorded in compliance  
 63 with the Securities and Exchange Commission’s requirements for virtual board meetings.  
 64

65 **II. CERTIFICATION OF QUORUM**  
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67 The Assistant Corporate Secretary called the roll of incumbent directors. All  
 68 directors confirmed that they were participating in the meeting via remote  
 69 communication (Zoom), as follows:  
 70

Name of Director	Location	Type of Device	Contact Number/ Details
Cesar C. Zalamea	Makati City	Laptop	<a href="mailto:cczalamea@gmail.com">cczalamea@gmail.com</a>
Isidro C. Alcantara, Jr.	Muntinlupa City	Desktop	<a href="mailto:icalcantarajr@marcventures.com.ph">icalcantarajr@marcventures.com.ph</a>
Anthony M. Te	Makati City	Laptop	<a href="mailto:te_anthony@yahoo.com">te_anthony@yahoo.com</a>
Michael L. Escaler	Makati City	iPhone	<a href="mailto:michael.escaler@aaci.ph">michael.escaler@aaci.ph</a>
Marianne Regina T. Dy	Makati City	iPad	<a href="mailto:marianne.dy@sonice.com.ph">marianne.dy@sonice.com.ph</a>
Ruby K. Sy	Quezon City	iPad	<a href="mailto:ampibari@yahoo.com">ampibari@yahoo.com</a>
Augusto C. Serafica, Jr.	Pasig City	Laptop	<a href="mailto:titoserafica@yahoo.com">titoserafica@yahoo.com</a>
Carlos Alfonso T. Ocampo	Makati City	iPad	<a href="mailto:cto@omlawphil.com">cto@omlawphil.com</a>

Kwok Yam Ian Chan	Makati	Laptop	<a href="mailto:kwokianchan66@gmail.com">kwokianchan66@gmail.com</a>
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The directors also confirmed seeing and hearing the proceedings clearly and having received the agenda and materials for the meeting.

There being present at least a majority of the members of the Board of Directors of the Corporation, the Assistant Corporate Secretary certified that a quorum existed for the transaction of corporate business.

**III. APPROVAL OF THE AGENDA**

Before proceeding to the next item on the Agenda, the Assistant Corporate Secretary informed the Board that there were no changes to the meeting agenda.

**IV. MINUTES OF THE PREVIOUS BOARD MEETING**

Copies of the minutes of the regular meeting of the Board of Directors held on May 6, 2021, Joint Audit Committee Meetings of MHI and MMDC held on May 10, 2021 and June 10, 2021, and Joint MHI and MMDC Executive Committee Meeting held on June 3, 2021 were distributed to the directors and concerned officers for their review and comments. The Assistant Corporate Secretary presented the highlights of the minutes of the Board meeting. Assistant Corporate Secretary, Atty. Maila G. de Castro (“Atty. de Castro”) presented the highlights of the Committee meetings for the information of the Board.

Upon motion duly made and seconded, the Board approved the minutes of the Board of Directors’ meeting held on May 6, 2021. The minutes of the Joint Audit Committee Meetings held on May 10, 2021 and June 10, 2021, and Joint Executive Committee Meeting held on June 3, 2021 were noted.

**V. MATTERS ARISING FROM THE MINUTES OF THE PREVIOUS MEETINGS**

Atty. de Castro reported on the pending matters arising from the previous meetings as follows:

MHI MMDC Joint Board of Directors Meeting dated 12 January 2021

Actions Needed	Timeline/Remarks	Status as of June 23, 2021
Presentation of Audit Committee Report to the BOD	Timeline: not stated	Audit Committee report which forms part of the Audit Committee report on 2020 Demurrage in connection with certain acts of ABS to be presented during the 25 June Joint MHI and MMDC BOD Meeting;
Re salary adjustment proposal: for further study; Certification that no senior officer/manager are at the top salary grades is for submission;	Timeline: not stated	HR: Presented to Execom on February 15, 2021. But for further study.  HR: Study is deferred until December 2021;

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Joint MHI and MMDC Regular Board of Directors Meeting dated 6 May 2021

Actions Needed	Timeline/Remarks	Status as of June 23, 2021
Office of the Corporate Secretary to correct the minutes of the BOD Meeting dated 12 January 2021 (re presentation by FRRA's President, Mr. Isidro C. Alcantara, Jr. (ICA), of the proposed engagement to the Board)	Timeline: not stated	Office of the Corporate Secretary: Minutes were revised;
Office of the Corporate Secretary to re-check 2019 Minutes to determine whether there was any mention of ABS' appointment and/of the terms thereof in view of ICA's assertion that the proposal was presented to the Board;	Timeline: not stated	Legal: 2019 Minutes were revisited; April 12, 2019 minutes referencing the ff: 1. April 10, 2019 Memo from ICA to the MHI & MMDC BOD with Discussion on Organizational Changes, including the engagement of ABS as Senior Consultant effective 1 March 2019. 2. The April 10, 2019 Memo mentioned a "copy of the memorandum for the engagement of Mr. Santiago was previously circulated to the Board." In his March 12, 2019 memo entitled "Engr. Arnulfo B. Santiago, Engagement as Senior Consultant for MMDC Mine Operations", requested for approval of hiring of ABS. ICA provided a copy of the Memo signed by 7 directors (CCZ, ICA, CTO, ACS, AMT, Ruby Sy, and Marianne Dy)

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Joint MHI and MMDC Regular Board of Directors Meeting dated 6 May 2021		
Actions Needed	Timeline/Remarks	Status as of June 23, 2021
Re temporary investment, as directed by CTO, RTC to furnish the Board of all written representations from Management, including pertinent vouchers also;	Timeline: after the meeting	Presented to the MHI MMDC Audit Comm members last June 10 Joint MHI and MMDC Audit Com Meeting.
Re signing of vouchers/ documents, CTO remarked that names of the signatories should be clearly shown in order to readily identify them, and that forms should not be signed if there are no such names.	Timeline: moving forward	
Re temporary investment, as directed by AMT, IA is designated to: 1. conduct an investigation on the recording and return of the subject amount, which may involve calling in former employees and RTC for the discovery process to be more comprehensive; 2. for further discussion – come up w stringent regulations/rules for a similar incident not to be repeated;	Timeline: to be presented to Audit Committee of MHI and MMDC within a period of two weeks under the parameters stated; Another meeting to be conducted before May 15 to address concerns that may crop up;	IA: Initial audit results were presented and discussed to the Audit Committee last June 10.  Another Audit Comm meeting will be scheduled in the next 1 to 2 weeks.
Re accounting and audit matters, ICA requested that the minutes of the meeting should be reviewed by the auditors to ensure that the discussion on accounting and audit matters are properly capture and worded;	Timeline: Moving forward	Office of the Corporate Secretary: Minutes were routed for comments to the Members of the Board as of June 21. Once approved/ comments are incorporated, the specific portion of the minutes will be provided to RTC for confirmation.

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On the approval of the appointment of Engineer Arnulfo B. Santiago, former MMDC SVP for Operations, Director Isidro C. Alcantara, Jr. (“Dir. Alcantara”) said that he had sent a copy of the memorandum dated March 12, 2019, the notice of the board meeting on August 19, 2019, the agenda for said meeting, and the minutes of the previous board meeting held on April 12, 2019 to Atty. de Castro.

**VI. MATTERS FOR BOARD INFORMATION, DISCUSSION, AND/OR APPROVAL**

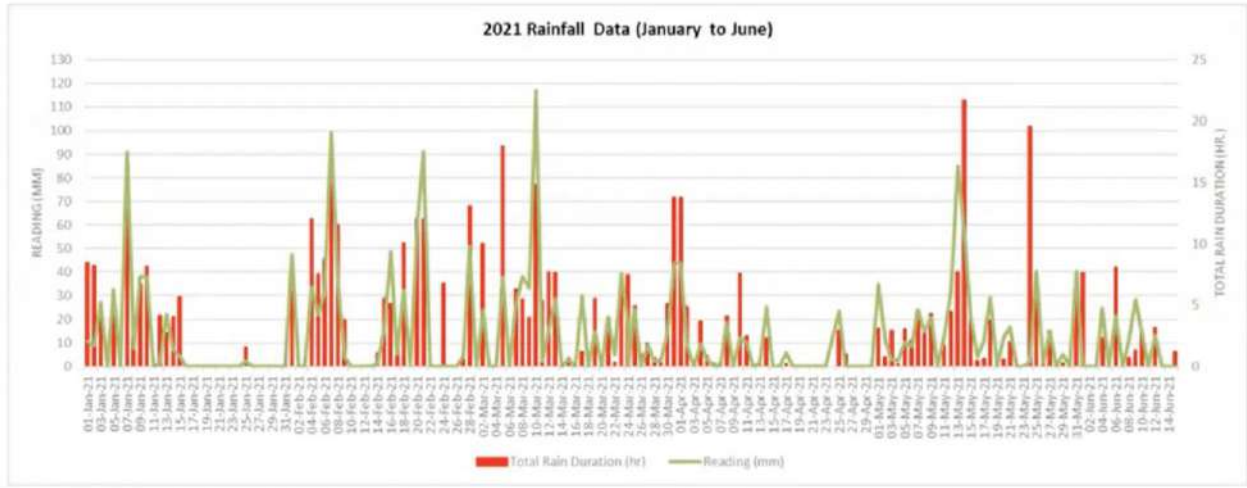
**6.1. For Information: Updates on Operations**

Engr. Eduardo M. Francisco (“Engr. Francisco”), Consulting Operations Head of MMDC, began his presentation with the Rainfall Data at the Cabangahan and Sipangpang Minesite, as well as at Bon-ot and Causeway from January to June 15, 2021 as follows:

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Table 1: Rainfall Data (Cabanghan Minesite) – Jan to June 15

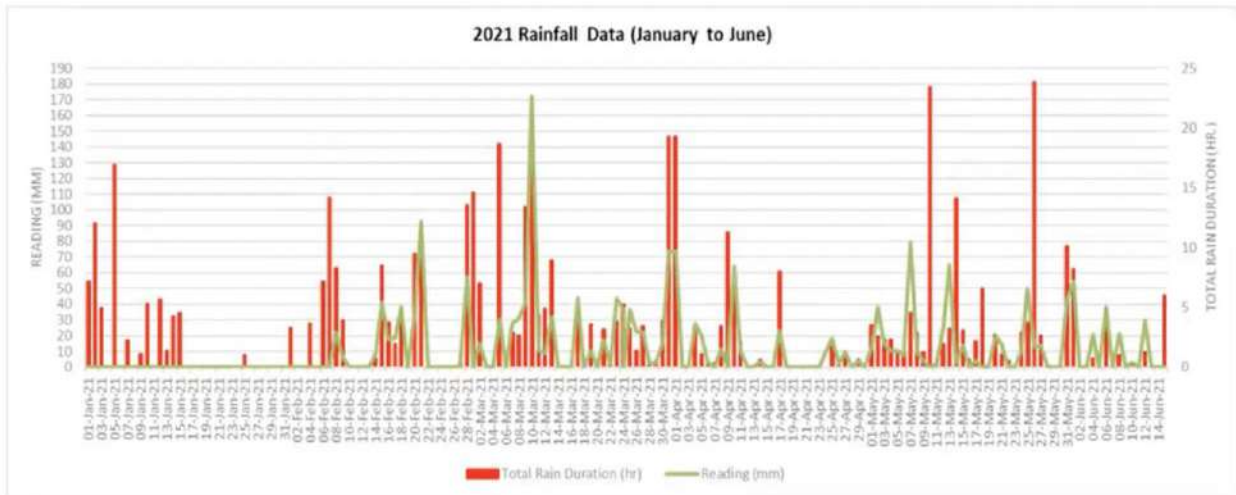
### Rainfall Data (Cabanghan Minesite) - Jan to June 15



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Table 2: Rainfall Data (Sipangpang Minesite) – Jan to June 15

### Rainfall Data (Sipangpang Minesite) - Jan to June 15

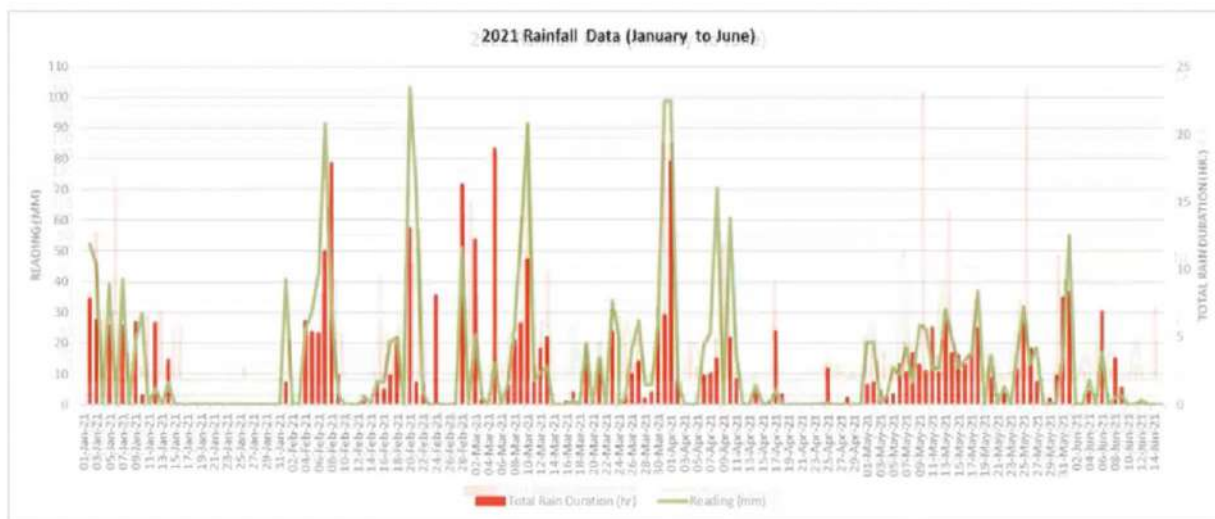


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Table 3: Rainfall Date (Bon-ot and Causeway) – Jan to June 15

**Rainfall Data (Bon-ot and Causeway) – Jan to June 15**



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Engr. Francisco noted that the weather during the first half of the year was not conducive to mining operations. Taking into account the weather condition from January to May, he prepared a shipment forecast for June to May 2021, to wit:

Table 4: Shipment Forecast

**Shipment Forecast**

	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Total
	Actual	Actual	Actual	Actual	Fcast	Fcast	Fcast	Fcast	Fcast	Fcast	
<b>CABANGAHAN (SAPROLITE)</b>											
1. Shipment - wmt											
Triple-A	-	-	-	34,026	-	109,456	165,000	165,000	130,000	-	603,482
FORTIS	-	-	33,346	18,631	-	55,000	110,000	55,000	35,000	-	306,977
MMDC	-	-	21,654	1,063	-	544	-	-	-	-	23,261
Sub-total MMDC - wmt	-	-	55,000	53,720	-	165,000	275,000	220,000	165,000	-	933,720
EZM	-	-	-	-	-	110,000	110,000	55,000	55,000	-	330,000
<b>Grand Total - wmt</b>	-	-	55,000	53,720	-	275,000	385,000	275,000	220,000	-	1,263,720
Number of shipment-except EZM	-	-	1	1	-	3	5	4	3	-	17
Number of shipment - EZM	-	-	-	-	-	2	2	1	1	-	6
<b>Total</b>	-	-	1	1	-	5	7	5	4	-	23
<b>SIPANGPANG (LIMONITE)</b>											
1. Shipment											
Truckload	-	-	-	47,139	99,300	165,000	165,000	165,000	110,000	-	751,439
MMDC	-	-	-	4,661	7,650	-	-	-	-	-	12,311
<b>Grand Total - wmt</b>	-	-	-	51,800	106,950	165,000	165,000	165,000	110,000	-	763,750
Number of shipment	-	-	-	1	2	3	3	3	2	-	14
<b>TOTAL SHIPMENT - MMDC</b>	-	-	1	2	2	6	8	7	5	-	31
<b>TOTAL SHIPMENT - EZM</b>	-	-	-	-	-	2	2	1	1	-	6
<b>TOTAL WMT SHIPMENT - MMDC</b>	-	-	55,000	105,520	106,950	330,000	440,000	385,000	275,000	-	1,697,470
<b>TOTAL WMT SHIPMENT - EZM</b>	-	-	-	-	-	110,000	110,000	55,000	55,000	-	330,000

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Engr. Francisco explained that, mathematically, it was still possible for MMDC to reach a total of 37 shipments. For saprolite, the plan was to make 17 shipments by MMDC and 6 shipments by EZM. For limonite coming from Sipangpang, the target was to make 14 shipments.

Engr. Francisco reported on the minable reserves and assignments per GenCon:

Table 5: Minal Reserves and Assignment

**Minal Reserves and Assignment**

Contractor	Area	Ore	NCO	Waste	Total	Start Date
FORTIS	CAB-P-1	221,000	166,000	556,000	943,000	On-going
FORTIS	CAB-P-2	132,000	61,000	311,000	504,000	June - 3rd week
FORTIS	CAB-P-4 (EZM area)	31,734	-	3,168	34,902	completed
<b>Sub-total</b>		<b>384,734</b>	<b>227,000</b>	<b>870,168</b>	<b>1,481,902</b>	
Triple A	CAB-P-3	515,000	184,000	897,000	1,596,000	On-going
Triple A (EZM)	CAB-P-2	103,000	40,000	199,000	342,000	June - 3rd week
<b>Sub-total</b>		<b>618,000</b>	<b>224,000</b>	<b>1,096,000</b>	<b>1,938,000</b>	
EZM	CAB-P-4	347,000	190,000	756,000	1,293,000	On-going
<b>Total</b>		<b>1,349,734</b>	<b>641,000</b>	<b>2,722,168</b>	<b>4,712,902</b>	
<b>SIPANGPANG</b>						
Contractor	Area	Ore	NCO	WASTE	Total	Start Date
TH	Sip P2,P3,P4	510,000	280,000	411,000	1,201,000	On-going
	Sip P1	108,000	50,000	131,000	289,000	On-going
	Sip P5	113,000	68,000	91,000	272,000	June - 3rd week
	Sip P5	61,000	23,000	13,000	97,000	June - 3rd week
<b>Total</b>		<b>792,000</b>	<b>421,000</b>	<b>646,000</b>	<b>1,859,000</b>	

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He noted that no adjustments were made yet on the minable reserves.

Engr. Francisco presented a map showing the areas where they have scheduled mining at Cabangahan. The red areas were assigned to Fortis; green to Triple A; and magenta to EZM. The light blue areas were those mined by the contractors aside from their assigned area. Because of inclement weather, Engr. Francisco said that they had started to mine outside the target mine area.

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Table 6: Cabangahan Mining Area



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Engr. Francisco then proceeded to report on mine production from January to May 2021 at Cabangahan area as follows:

Table 7: Mining Production – January to May 2021 (Cabangahan)

**Mining Production – January to May 2021**

Saprolite Mining - Cabangahan			
	Actual	Schedule	Variance
<b>Fortis</b>			
Ore	52,920	144,032	(91,112)
NCO & waste	90,684	215,111	(124,427)
Total mining wmt	143,604	359,143	(215,539)

Saprolite Mining - Cabangahan			
	Actual	Schedule	Variance
<b>Triple A</b>			
Ore	55,294	90,544	(35,250)
NCO & waste	70,398	128,677	(58,279)
Total mining wmt	125,692	219,221	(93,529)

Saprolite Mining - Cabangahan			
	Actual	Schedule	Variance
<b>EZM</b>			
Ore	56,844	73,197	(16,353)
NCO & waste	24,930	192,650	(167,720)
Total mining wmt	81,774	265,847	(184,073)

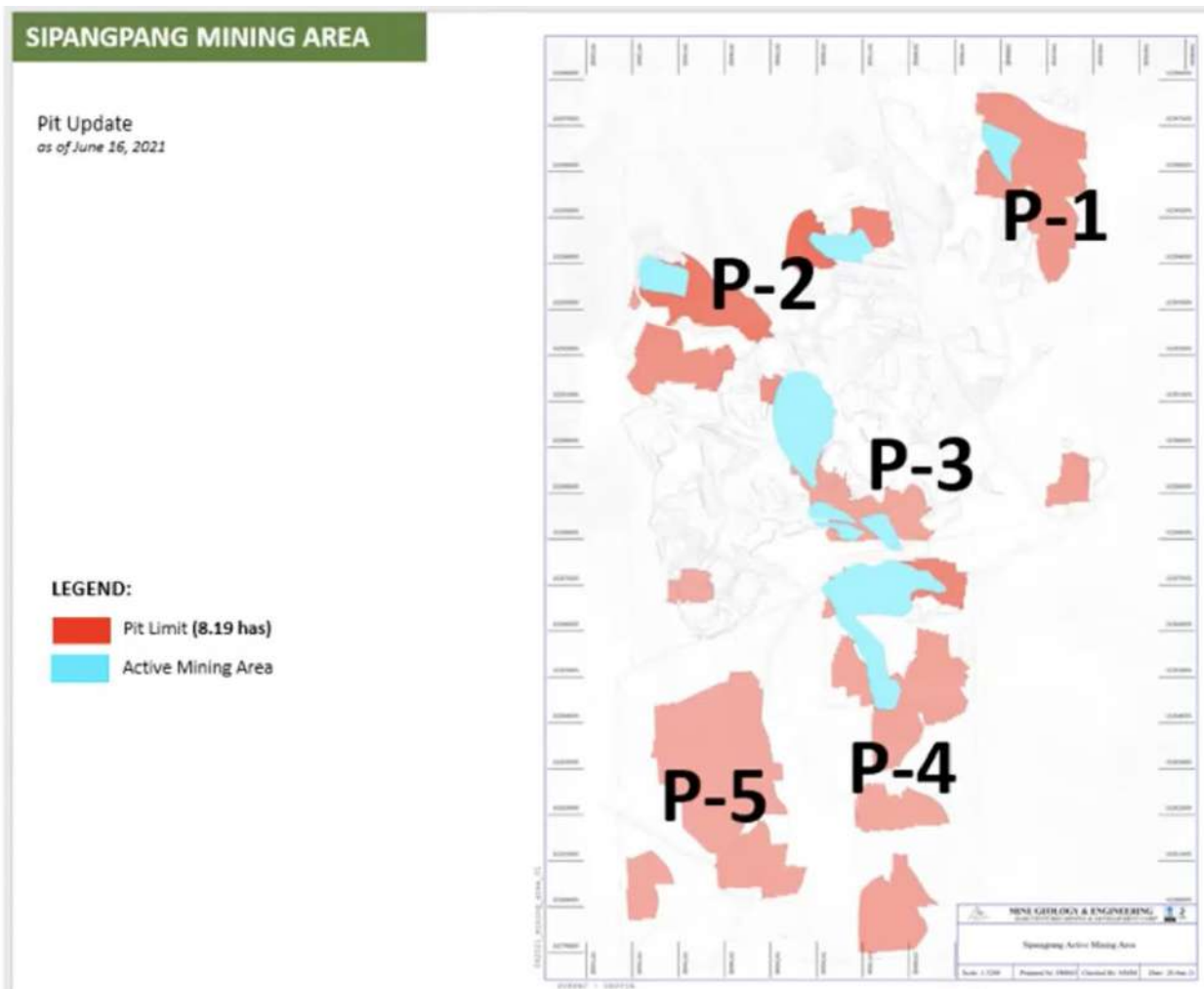
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He noted that the ore tonnages above were based on piling samples with assay results. The ore mine by Fortis was down by 91,112 WMT. The ore mine by Triple A was down by 35,250 WMT based on the schedule. While EZM's ore mine was down by 16,353 WMT.

For Sipangpang mining area, Engr. Francisco also presented a map showing the active mining areas in light blue and the areas scheduled for mining in red:

Table 8: Sipangpang Mining Area



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Limonite mining production at Sipangpang from January to May 2021 was reported as follows:

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Table 9: Mining Production – January to May 2021 (Sipangpang)  
**Mining Production – January to May 2021**

<b>Limonite Mining - Sipangpang</b>			
	<b>Actual</b>	<b>Schedule</b>	<b>Variance</b>
<b>Trucklord</b>			
Ore	97,546	116,445	(18,899)
NCO & waste	57,848	210,181	(152,333)
<b>Total mining wmt</b>	<b>155,394</b>	<b>326,626</b>	<b>(171,232)</b>

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226 Engr. Francisco reported that the ore mine by Trucklord was down by 18,899 WMT  
 227 and that all negative variances were attributed to bad weather condition.

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229 Lastly, Engr. Francisco gave an update on mine operations as of June 18, 2021:

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Table 10: Mine Operations – Update – Ore Inventory as of June 18, 2021

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**Mine Operations – Update – Ore Inventory as of June 18, 2021**

Location	<b>SAPROLITE</b>						<b>LIMONITE</b>			
	AAA		FORTIS		MMDC		For 49%Fe Shipment		For 48%Fe Shipment	
	WMT	Ni	WMT	Ni	WMT	Ni	WMT	Fe	WMT	Fe
a. Mineyard	13,140	1.37	4,140	1.22	-	-	8,060	49.42	4,716	48.28
b. Stockyard	42,878	1.41	28,674	1.35	544	1.21	48,750	49.24	31,914	48.67
<b>TOTAL</b>	<b>56,018</b>	<b>1.40</b>	<b>32,814</b>	<b>1.33</b>	<b>544</b>	<b>1.21</b>	<b>56,810</b>	<b>49.27</b>	<b>36,630</b>	<b>48.62</b>

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236 For saprolite ore inventory, Triple A had 56,018 WMT for 1.4% nickel. Fortis had  
 237 32,814 WMT for 1.33% nickel. While MMDC had 544 WMT for 1.21% nickel. With this, the  
 238 company scheduled shipment number six for saprolite.

239

240 For limonite, the company had 56,810 WMT for 49% iron and 36,630 WMT for 48%  
 241 iron. Shipment number 5 and 7 were scheduled in June and July respectively.

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243 There being no questions from the Board, the Update on Operations was duly  
 244 noted.

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**6.2. Controllership Report**

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248 **6.2.1. For Information: Profit and Loss per Month and To Date/as**  
 249 **of May 2021 (Budget, Variance, Expenses, Revenue, Cash**  
 250 **Flow)**

251  
 252 Mr. Dale A. Tongco (“Mr. Tongco”), Vice President for Controllershship, presented  
 253 the over-all performance key indicators for the year-to-date May 2021:

254  
 255 Table 11: Overall Financial Performance – YTD May 2021

	YTD May 2021 Actual	YTD May 2021 Budget	YTD May 2020
Revenues	₱206.37	₱1,067.39	₱168.01
Cost of Sales	₱182.92	₱640.20	₱200.57
Operating Cost	₱148.14	₱234.54	₱122.91
EBIT	-₱124.69	₱192.65	-₱155.47
EBITDA	-₱96.41	₱223.66	-₱128.53
Net Loss	-₱105.09	₱123.66	-₱116.10

256  
 257  
 258 Mr. Tongco noted that the actual revenues at Php206.37 million was lower than the  
 259 budget that was more than Php1 billion but relatively higher than last year’s figure. Cost  
 260 of sales was also lower compared to the budget and last year’s figure. Operating cost was  
 261 lower than the budget but a little higher than last year’s figure. EBITDA was at -Php96.41  
 262 million, lower than the budget. These figures resulted in a net loss of Php105.09 million,  
 263 almost the same as last year’s net loss.

264  
 265 The revenue of Php206.37 million pertained to sales form the three shipments from  
 266 April to May 2021, as shown:

267  
 268 Table 12: Revenues – YTD May 2021

Month	Vessel	Buyer	Ore Type	Ore Grade	Tonnage (WMT)	Price
April	MV Zhe Hai 169	Vanhui	Sapro	1.30%	55,000	\$ 32.00
May	MV Yin Neng	Wu Hua	Limo	0.7% Ni	51,800	\$ 22.25
May	MV Em Jade	Regent	Sapro	1.30%Ni	53,720	\$ 28.00

269  
 270  
 271 Mr. Tongco explained that this was 81% lower than the budget for targeted 12  
 272 shipments. He added that the price of 1.30% saprolite declined from \$32 in April to \$28 in



273 May. For the same period last year, three vessels were also shipped out, but the amount  
 274 of sales in 2021 was 23% higher due to better market prices.

275  
 276 Regarding shipments as of May 2021, Mr. Tongco reported that a total of three  
 277 shipments were made as of May, with no shipment from January to March, one shipment  
 278 in April, and two in May. The total was significantly lower by 75% than the 12 shipments  
 279 budgeted as of May 2021. For the same period in 2019, a total of three vessels were also  
 280 shipped out, but only saprolite ore was sold in 2020, while there was a mix of saprolite  
 281 and limonite ores in 2021. The sales volume of 160,520 WMT was also 76% lower against  
 282 the targeted tonnage of 660,000 WMT as of May 2021.

283  
 284 For the cost of sales, Mr. Tongco explained that the figure was 71% favorably lower  
 285 than the budget of Php640.20 million due to this year's shortfall in shipments of only three  
 286 vessels as against the target of 12 boatloads. There was also a mix of two saprolite and one  
 287 limonite ore shipments, and limonite is comparatively lower in cost to produce due to its  
 288 proximity to the port. A total of Php54.93 million demurrage costs relating to 2020  
 289 shipments were included in this year's cost of sales. If the demurrage costs were excluded,  
 290 the cost of sale would drop to Php127.99 million, which was 36% lower than the Php200.57  
 291 million reported for the same period last year. A dispatch of Php3.38 million was also  
 292 recorded in May pertaining to shipment of Vanhui, which was set-off against demurrage  
 293 costs in the books.

294  
 295 The cost of sales reported by Mr. Tongco was broken down as follows:

296  
 297 Table 13: Breakdown of Costs of Sales

	JAN	FEB	MAR	APR	MAY	YTD 2021	%
Contracted Services	1,198,501	2,651,082	20,191,247	47,503,510	70,835,271	142,379,611	78%
Mining Cost	48,307	67,455	226,884	15,754,991	32,717,293	48,814,931	34%
Barge Rental	-	-	-	6,314,667	17,362,667	23,677,333	17%
Hustling	-	-	-	3,808,068	7,151,576	10,959,644	8%
Stevedoring	-	-	-	392,857	1,040,357	1,433,214	1%
Rentals	1,150,194	2,583,626	19,964,363	21,232,927	12,563,378	57,494,489	40%
Demurrage	-	-	50,966,952	-	591,206	51,558,157	28%
Personnel Cost	7,041,419	6,755,417	8,377,925	12,526,211	13,155,955	47,856,927	26%
Production Overhead	6,927,553	6,917,563	7,026,506	101,985	10,783,961	31,553,598	17%
Depreciation	1,125,943	2,612,239	2,502,905	3,279,326	2,795,300	12,315,714	7%
Depletion	-	-	-	3,835,609	4,673,430	8,509,039	5%
Excise Tax	-	-	-	3,460,743	4,794,147	8,254,890	5%
Cost of Beneficiated Nickel Ore	- 16,293,417	- 18,936,300	- 38,098,584	26,869,314	73,046,703	- 119,505,690	-65%
Total Cost of Sales	-	-	50,966,952	97,372,729	34,582,566	182,922,247	100%

298  
 299  
 300 For the operating costs, Mr. Tongco noted that it was 37% favorably lower versus  
 301 the budget with the variance attributable to lower costs on compliance and head office  
 302 overhead. This year's operating expense was 21% higher than last year's due to the  
 303 combined impact of the employee case settlement this year, higher business taxes and 3M  
 304 trees penalty expenses. The operating costs were broken down as follows:

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306  
307

Table 14: Operating Costs YTD May 2021

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	JAN	FEB	MAR	APR	MAY	YTD 2021	%
Compliance-Related	1,274,160	1,758,480	10,292,450	19,974,506	11,595,205	44,894,801	30%
EPEP	1,254,160	1,730,480	9,866,115	17,810,560	8,123,734	38,785,048	86%
SDMP	20,000	28,000	426,335	1,255,501	2,213,008	3,942,844	9%
IP Royalties	-	-	-	908,445	1,258,464	2,166,909	5%
Business and Other Taxes	8,813,483	12,215,659	2,937,968	2,926,059	7,573,881	34,467,050	23%
Salaries and Wages	4,965,284	4,723,471	5,161,517	6,806,685	4,293,558	25,950,515	18%
Professional Fees	1,518,500	2,018,500	5,087,885	2,407,000	2,687,470	13,719,355	9%
3M Penalties	-	-	-	8,100,689	653,452	8,754,141	6%
Depreciation and Amortization	2,788,377	1,267,214	1,268,583	1,344,199	784,886	7,453,259	5%
Corporate Social Responsibility	294,286	436,260	1,369,499	722,391	1,216,185	4,038,621	3%
Others	507,276	2,768,674	2,388,064	1,400,482	1,793,782	8,858,278	6%
Operating Expenses	20,161,367	25,188,259	28,505,966	43,682,011	30,598,419	148,136,021	100%

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310

As for net loss, Mr. Tongco noted that the income was 185% lower than the budgeted income of Php123.66 million. This was despite earning Php38.78 million after taxation in May. This was primarily due to lower-than-target ore shipped of only three boatloads. Shortfall was mainly attributed to irregular weather disturbances which destroyed vital infrastructures and rendered roads unpassable.

316

Mr. Tongco also discussed unit cost per ton in US dollars, to wit:

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318

319

Table 15: Unit Cost per Ton

320

	Actual May 2021	Budget May 2021	Variance vs Budget	%	Actual May 2020	YOY Inc/(Dec)	%
<b>Unit Costs per WMT (in USD per Ton)</b>							
MMDC Direct Cost	\$23.55	\$19.67	(\$3.88)	(20%)	\$25.44	(\$1.89)	(7%)
MMDC All-in Cost	\$44.61	\$27.37	(\$17.24)	(63%)	\$42.34	\$2.27	5%
MMDC All-in Cost (exc. LY Demurrage)*	\$37.54	\$27.37	(\$10.17)	(37%)	\$42.34	(\$4.81)	(11%)

321  
322

\*Excluding last year's demurrage amounting to P54.93M

COST PER TON	JAN	FEB	MAR	APR	MAY	YTD MAY 2021
MMDC Direct Cost/WMT	-	-	-	\$36.59	\$6.77	\$23.55
MMDC Direct Cost + Operating/WMT	-	-	-	\$53.00	\$12.77	\$42.62
MMDC All-In Cost/WMT (excluding income tax)	-	-	-	\$54.82	\$13.35	\$44.61
MHI All-In Cost/WMT	-	-	-	\$73.72	\$7.07	\$61.85

323  
324

Mr. Tongco explained that all-in unit cost dropped down to \$37.54/WMT. This was on the high side against the \$27.37 budget considering the current market prices of nickel ore. With more production volume expected in the coming months, the cost per WMT was expected to decrease. This year's unit cost was relatively better compared to the \$42.34 rate a year ago.

330

331 Thereafter, Mr. Tongco gave an update on demurrage costs, to wit:

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333

Table 16: Demurrage Costs Update

(In USD)	Demurrage	Despatch	Net Demurrage	PAID IN 2020	Outstanding	DISCOUNT	Net Outstanding	Disposition
Big Wave Resources Co., Ltd	(1,277,386.72)	2,318.42	(1,275,068.30)		(1,275,068.30)		(1,275,068.30)	UNDER NEGOTIATION
Ningbo Lygend Wisdom Co., Ltd	(212,518.44)	-	(212,518.44)	212,518.44	-		-	
Regent Sound Limited	(1,319,631.51)	16,164.61	(1,303,466.90)	98,189.46	(1,205,277.44)	200,000.00	(1,005,277.44)	treat as 2021 advance for allocation
Spring Treasure Global Ltd	(1,104,168.05)	5,119.97	(1,099,048.08)		(1,099,048.08)	50,000.00	(1,049,048.08)	offset vs trade receivable
Vanhui Resources (HK)	(1,037,316.76)		(1,037,316.76)		(1,037,316.76)	37,316.76	(1,000,000.00)	treat as 2021 advance for allocation
<b>Total</b>	<b>(4,951,021.48)</b>	<b>23,603.00</b>	<b>(4,927,418.48)</b>	<b>310,707.90</b>	<b>(4,616,710.58)</b>	<b>287,316.76</b>	<b>(4,329,393.82)</b>	
@49	(242,600,052.52)	1,156,547.00	(241,443,505.52)	15,224,687.10	(226,218,818.42)	14,078,521.24	(212,140,297.18)	

334

335

336 According to Mr. Tongco, Big Wave questioned the tax on demurrage. Regent  
 337 Sound already agreed to offset against sales allocation at \$1.50 per WMT but requested to  
 338 make it \$2 per WMT, and that the same was subject to approval. Spring Treasure was paid  
 339 by offsetting against receivables of \$1,382,308 with net receivable of \$333,259.92 that had  
 340 been paid. Spring Treasure also questioned the tax on demurrage. While Vanhui settled  
 341 the receivables and offset the demurrage versus 2021 sales via allocations, the amount of  
 342 \$82,500 was included in its 2021 sales' 2<sup>nd</sup> payment billed on April 23, 2021.

343

344 Mr. Tongco also presented the actual cash balance as of June 21, 2021 as shown  
 345 below:

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Table 17: Actual Cash Balance as of June 21, 2021

**Actual Cash Balance – As of June 21, 2021**

Bank Account	Actual Balance	Restricted Funds	FREE CASH in Php @48
<b>PESO acct</b>			
UCPB	₱ 195,641.82	-₱ 101,843.72	₱ 93,798.10
UCPB (new acct)	₱ 101,013.88	-₱ 101,006.92	₱ 6.96
BDO	₱ 20,387,598.30	₱ -	₱ 20,387,598.30
Philis. Veterans BANK	₱ 130,049.47	-₱ 130,049.47	₱ 0.00
Phil. Business Bank	₱ 186,645.70	-₱ 64,779.03	₱ 121,866.67
RCBC	₱ 61,792.25	-₱ 61,785.95	₱ 6.30
RCBC (new acct)	₱ 3,849,571.83	-₱ 3,849,179.53	₱ 392.30
Landbank	₱ 90,953.20	-₱ 90,953.20	₱ (0.00)
Landbank	₱ 109,286.51	-₱ 109,286.51	₱ -
Landbank SA	₱ 78,736.04	-₱ 78,736.04	₱ -
Landbank CA	₱ 115,297.27	-₱ 115,297.27	₱ -
DBP-Surigao	₱ 84,793,578.18	-₱ 84,793,578.18	₱ -
UCPB for BIR acct	₱ 506,343.05	-₱ 320,000.00	₱ 186,343.05
	₱ 110,606,507.50	₱ (89,816,495.82)	₱ 20,790,011.68
<b>Dollar acct</b>			
PBB -Dollar	\$ 1,820.22	\$ -	₱ 87,370.56
UCPB	\$ 17,478.46	\$ -	₱ 838,966.08
BDO	\$ 723,112.73	\$ -31,000.00	₱ 33,221,411.04
BDO new acct	\$ 197,200.00	\$ -197,200.00	₱ -
BDO (for MMDC and EZM)	\$ 1,987.68	\$ -	₱ 95,408.64
Philis. Veterans BANK	\$ 2,870.11	\$ -	₱ 137,765.28
	\$ 944,469.20	\$ -228,200.00	₱ 34,380,921.60
<b>TOTAL FREE CASH BALANCE as of June 21, 2021</b>			<b>₱ 55,170,933.28</b>

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Mr. Tongco reported that as of June 21, 2021, the total peso cash balance amounted to Php110.61 million with Php89.82 million restricted for regulatory compliance obligations and operational contingencies and Php20.79 million free or disposable cash. Dollar balance was at \$0.94 million with \$0.23 million restricted and \$0.71 million free for use. As for the various bank accounts, Mr. Tongco explained that BDO accounts are used for operations, with peso account for expenditures and dollar account for remittances from buyers. DBP and Landbank accounts are for required compliance-related balances while PBB, PVB, and UCPB accounts are for loan proceeds and payments.

Mr. Tongco presented the cash projection for June 16 to July 15, 2021 as follows:

Table 18: Cash Projection from June 16 to July 15, 2021

<b>Cash Projection June 16 to July 15, 2021</b>			
\$1 = Php48			
<b>Projected Cash Flow - June 16 to July 15, 2021</b>			
	<b>PHP</b>	<b>USD</b>	<b>Total</b>
<b>Free Cash Balance June 15, 2021 (net of restricted funds)</b>	₱ 17,773,043.81	\$ 275,739.20	₱ 31,017,897.73
<b>Projected Cash Addition - June 16 to July 15, 2021</b>			
Collections	₱ -	\$ 3,039,555.75	₱ 145,898,676.00
<b>Projected Cash Deductions June 16 to July 15, 2021</b>			
Check issuance/payments - Overhead/Expenses	₱ (123,950,420.13)	\$ (52,487.50)	₱ (126,469,820.13)
<b>PROJECTED CASH BALANCE - July 15, 2021</b>	<b>₱ (106,177,376.32)</b>	<b>₱ 3,262,807.45</b>	<b>₱ 50,446,753.60</b>

According to Mr. Tongco, the projected free cash balance as of July 15, 2021 was at Php50.45 million after the estimated collections from buyers amounting to Php145.8 million, and projected expenses of Php126.47 million. Collections are expected from Wu Hua and Spring Treasure sales.

**6.2.2. For Information: Status of Payments/Collections per Shipment**

Mr. Tongco then presented the status of sales collections as of June 23, 2021, as well as bank and other loans payable as of May 31, 2021:

381

382

Table 19: 2021 Sales Collections – Status as of 23 June 2021

383

Collection Report 2021												
Shipment No.	Buyer	Vessel/Carrier	FIRST PAYMENT			SECOND PAYMENT			FINAL PAYMENT			(DEM)/DES
			Amount	%	Collection Date	Amount	%	Collection Date	Final Payment	%	Collection Date	
341(2021-01-S01)	Vanhui Resources	MV Zhe Hai 169	\$ 880,000.00	50%	26-Apr-21	\$ 792,000.00	45%	04-May-21	\$ 88,000.00	5%	26-May-21	\$ 70,218.90
342(2021-02-L01)	Wu Hua Holding	MV Yin Neng	\$ 1,210,177.25	98%	27-Apr-21	\$ -	0%	n/a	\$ (128,852.25)	2%		\$ 70,617.30
343(2021-03-L02)	Regent Sound Limited	MV Em Jade	\$ 770,000.00	50%	17-May-21	\$ 658,952.00	45%	02-Jun-21	\$ (7,681.96)	5%		\$ 55,969.03
344(2021-04-L02)	Wu Hua Holding	MV Zhong Chang Shi	\$ 1,104,950.00	98%	26-May-21	\$ -	0%	n/a	\$ (39,975.00)	5%		\$ 80,468.50
345(2021-05-L03)	Regent Sound Limited	MV Kai Xuan 11	\$ 618,750.00	50%	18-Jun-21							
346(2021-06-S03)	Regent Sound Limited		\$ 1,369,500.00	60%	23-Jun-21							
347(2021-07-L04)	Wu Hua Holding		\$ 1,347,500.00	98%								

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Table 20: Bank and Other Loans Payable as of May 31, 2021

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Company	Bank	Loan Amount	Outstanding	Interest Rate	Interest Repricing	Interest Payment	Principal Payment	Terms	Collateral	Final Maturity
MMDC	PVB	₱200,000,000	₱175,000,000	7.54730%	Fixed	Quarterly	Quarterly starting May 18, 2021	3-year Term Loan. 1-year Grace Period. Amortization will start on May 18, 2021 of ₱25.0MM per quarter.	1. MMDC Shares - 10.0MM 2. BRC Shares 19,999,400	February 17, 2023
	UCPB	₱170,000,000	₱150,000,000	7.00%	Quarterly Repricing	Quarterly	Quarterly starting April 15, 2021	2-year and 9 months Term Loan. 1-year Grace Period. Amortization will start on April 2021 of ₱20.0MM per quarter.	BRC Shares 20.0 MM	April 17, 2023
	PBB	₱60,000,000	₱60,000,000	8.00%	Semi-Annual Repricing	Semi-Annual	Final Maturity	1 year loan PN	MMDC shares - 647,692	October 07, 2021
<b>TOTAL MMDC loans</b>			<b>₱385,000,000</b>							
AMPI	PBB	₱200,000,000	₱138,095,238	8.00%	Fixed	Monthly	Monthly	3-year Term Loan. 18-month Grace Period. Amortization will start on March 2020 of ₱4.7MM per month.	1. MHI Office 2. BKR Office	September 21, 2023
<b>TOTAL AMPI loan</b>			<b>₱138,095,238</b>							
<b>TOTAL LOANS</b>			<b>₱523,095,238</b>							

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Mr. Tongco explained that the outstanding long-term bank loans for MMDC amounted to Php385 million while for subsidiary, AMPI, the outstanding long-term bank loans amounted to Php138.09 million, which MMDC had been paying. Short-term loans from various sources were secured for immediate operational cash requirements including zero-interest loan of Php190 million from DunFeng and Php70 million from other sources at 1% interest per month. As of June 15, 2021, the balance to DunFeng was down to Php55 million.

Mr. Tongco noted that financing of transportation and heavy equipment were obtained from Orix Metro Leasing, and MMDC had a total outstanding balance of Php10.81 million payable up to 2024.

404 **6.2.3. For Information and Approval: Updates on Take Out/Loan**  
405 **Facility**  
406

407 Mr. Tongco reported that as of June 21, 2021, China Banking Corporation offered a  
408 Php208 million term loan, payable in six years, with indicative rate at 6% and management  
409 was in the process of completing documentation requirements. He also said that another  
410 loan offer came from Philippine Veterans Bank, which was a Php330 million term loan  
411 with indicative rate at 7%. Controllership recommended the loan offered by China  
412 Banking Corporation be taken by Marcventures Mining and Development Corporation  
413 (MMDC) because of its lower rate.  
414

415 For MHI, the Management sought the approval by the Board of approval of 3<sup>rd</sup>  
416 party mortgage with China Banking to secure the take-out loan of MMDC.  
417

418 To put the current proposal into context, the Management presented to the  
419 members of the Board, the resolution previously adopted by the Corporation which as  
420 authorized by its Board on 28 July 2018 to act as Surety for the loans/credit  
421 accommodations granted by Philippine Business Bank (PBB) to Alumina Mining Phils.  
422 Inc. (AMPI) in the principal amount of Pesos: Two Hundred Million (Php200,000,000.00)  
423 Philippine Currency, and to mortgage certain properties of the Corporation.  
424

425 The Management then informed the Board that the term loan to be taken by  
426 MMDC with China Banking Corporation will take-out the loan by AMPI from PBB. As a  
427 consequence of the transaction, the mortgage on the properties will have to be transferred  
428 from PBB to Chinabank. From the foregoing, the Management sought authority from the  
429 Board to act as Surety for Marventures Mining and Development Corporation, and to  
430 mortgage and thus encumber the properties in favor of Chinabank, and that certain  
431 officer of the Corporation be authorized to implement the same. Thus, upon motion duly  
432 made and seconded, the following resolutions were unanimously passed and approved:  
433

434 “RESOLVED, that **MARCVENTURES HOLDINGS INC.** (the  
435 “**Corporation**”) be authorized and empowered to mortgage and encumber  
436 the following properties of the Corporation:

437 **Condominium Unit 4-3**, Citibank Center Condominium  
438 (now BDO Towers Paseo), located at Paseo de Roxas, Barangay  
439 Bel-Air, Makati City, covered by **CCT No. 006-2014001598** of  
440 the Registry of Deeds of Makati City;

441  
442 **Condominium Unit 4-4**, Citibank Center Condominium  
443 (now BDO Towers Paseo), located at Paseo de Roxas, Barangay

444 Bel-Air, Makati City, covered by CCT No. 006-2014001597 of  
445 the Registry of Deeds of Makati City; and

446

447 **Basement Parking Units B-351, B-352 and B-353**  
448 Citibank Tower Condominium (now BDO Towers Valero  
449 Condominium), Valero Street corner Villar Street, Salcedo  
450 Village, Barangay Bel-Air, Makati City covered by CCT No.  
451 **006-2014001599** of the Registry of Deeds of Makati City;

452

453 together with all the improvements now existing thereon, for the  
454 purpose of securing the obligations incurred or which hereafter may be  
455 incurred by the Corporation and/or Marcventures Mining and  
456 Development Corporation, a subsidiary of Marcventures Holdings, Inc., in  
457 whose financial success the Corporation has financial interest, with CHINA  
458 BANKING CORPORATION irrespective of the amount, including any  
459 renewals, extensions and/or roll-over thereof;

460

461 “RESOLVED FURTHER, that the following officers be authorized to  
462 sign, execute and deliver any and all kinds of contracts, agreements, or other  
463 papers and documents including, but not limited to, surety agreement,  
464 mortgages, pledge, assignment and the like, in order to effectuate the  
465 foregoing powers:

466 *Any two (2) in Set A, acting jointly:*

467

468 **Set (A)**

469

<b>Authorized Representative</b>	<b>Position/Designation</b>	<b>Specimen Signature</b>
1. Rolando S. Santos		

	SVP for Finance and Administration / Treasurer	
2. Dale A. Tongco	VP for Controllershship	
3. Maila G. de Castro	VP for Legal	
4. Elmer O. Purisima	AVP for Finance	

470

471

Or

472

*Any one (1) in Set A and any one (1) in Set B, acting jointly:*

473

**Set (B)**

<b>Authorized Representative</b>	<b>Position/Designation</b>	<b>Specimen Signature</b>
1. Reuben Antonio F. Alcantara	SVP for Marketing, Business Development, and Strategic Planning	
2. Lester C. Yee	AVP for Corporate Planning and Investor Relations	



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“RESOLVED FINALLY, that **China Banking Corporation** be furnished a copy of the foregoing resolutions for its guidance and may continue to rely on the authority conferred thereon, including the renewal, extension, increase, rollover and/or restructuring thereof, unless and except to the extent that the foregoing resolutions shall be revoked or modified by any subsequent resolution of the Board of Directors of the Corporation.”

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**6.2.4. "For Information and Approval: Proposed Utilization of EZM Idle Mining Equipment"**

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Mr. Tongco reported that EZM had a surplus/idle mining equipment due to the limited area where they can operate. EZM proposed to rent the equipment to MMDC and management presented the following rates for its approval:

Activity	Saprolite	Limonite	Unit
<b>Ore Mining</b>			
Extraction	18.00	17.00	per WMT
Hauling	16.00	15.00	per WMT per KM
Receiving	11.00	10.00	per WMT
Pit Maintenance	4.50	4.50	
<b>Waste Mining</b>			
Extraction	13.00	13.00	per WMT
Hauling	16.00	14.00	per WMT per KM
Receiving	9.00	9.00	per WMT
<b>Barge Loading</b>			
Extraction	18.00	17.00	per WMT
Hauling	16.00	15.00	per WMT per KM
Receiving	11.00	10.00	per WMT

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498

Mr. Tongco noted that the rates were consistent with the per activity rates that had been previously approved and in effect for 2021. These were also the component per activity rates that made up the bundled rates that MMDC had with the GenCons. The recommendation of Controllershship was to lease the idle units, should they be needed to bolster operations, using per activity rates that have been previously approved and were currently in effect.

499 There being no questions from the Board, the Controllership Report was duly  
500 noted. Mr. Tongco, thereafter, sought the approval of the proposed utilization of EZM’s  
501 idle mining equipment. After further discussion and upon motion duly made and  
502 seconded, the Board approved the following resolution:

503

504 “RESOLVED, that MARCVENTURES HOLDINGS, INC. (the  
505 “Corporation”) approve, as it hereby approves, the utilization by the  
506 Corporation of the idle mining equipment of EZ Mining Enterprises Inc.,  
507 subject to the provision by Management of the schedule and justification  
508 for the use of said mining equipment as the need arises.”

509

### 510 6.3. Marketing

511

#### 512 6.3.1. For information: Market Updates, Ore Sales Contracts, 513 Buyers, Final Grades, Collections and Shipment Updates

514

515 Mr. Reuben F. Alcantara (“Mr. Alcantara”), Senior Vice President for Marketing,  
516 reported on Marketing Updates. The following were the highlights:

517

518

Table 21: Market Updates

## Market Updates

- The general consensus among the international study groups is that the nickel prices should hover around \$17,000 to \$20,000 for the rest of the year.
- Iron Ore on the other hand dropped to \$206.37 (5/27) from \$209.13 (5/21) or 1.32% over the last seven days.
- This is mainly due to the fact that Chinese regulators have imposed trading restrictions on the iron ore futures that drastically cooled demand. Additionally, the withdrawal of the policy stimulus in China will be most keenly felt in the construction sector which would put the iron ore prices at around the \$140.00 to \$160.00 USD mark for the rest of the year.
- On June 16, 2021, the Chinese government announced that it would release metal surplus from state-controlled stockpiles to ease the raw materials deficit and to counter the rising market prices.
- Metal prices globally also dropped after the United States Federal Reserve announced that it would be speeding up its pace in its policy tightening amid optimism of the labor market and heightened concerns over inflation and about 2 interest rate increases till the end of 2023 which boosted the value of the US\$.

519

520

521 Mr. Alcantara reported that the Marketing Department had closed six contracts –  
522 two for 1.30% nickel (saprolite), one for 1.40% nickel (saprolite), two for 0.70%  
523 nickel/50.00% iron (limonite) and one for 0.60% nickel/50.00% iron (limonite). The buyers  
524 under these contracts were:

- 525  
526 ➤ **Vanhui Resources (HK) Co., Limited**
- 527 • Winning bidder of the 1st shipment with grade of 1.30% Ni (saprolite) and
  - 528 vessel name of MV Zhe Hai 169 (MMDC-VR-01-2021)
  - 529 • Contract Price was at \$32.00
- 530 ➤ **Wu Hua Holding Limited**
- 531 • Winning bidder of the 2nd shipment with a grade of 0.70% Ni/50.00% Fe
  - 532 (limonite), the vessel name of MV Ying Neng (MMDC-WH-01-2021)
  - 533 • Contract Price was at \$22.25
- 534 ➤ **Regent Sound Limited**
- 535 • Winning bidder of the 3rd shipment with a grade of 1.30% Ni (saprolite) and
  - 536 vessel name of MV Em Jade (MMDC-RS-01-2021)
  - 537 • Contract Price was at \$28.00
- 538 ➤ **Wu Hua Holding Limited**
- 539 • Winning bidder of the 4th shipment with a grade of 0.70% Ni/50% Fe
  - 540 (limonite), with the vessel name of MV Zhong Chang Ding Sheng
  - 541 • Contract Price was at \$20.50
- 542 ➤ **Regent Sound Limited**
- 543 • Winning bidder of the 5th shipment with a grade of 0.60% Ni/50% Fe
  - 544 (limonite) and the vessel name of MV Kai Xuan 11 (MMDC-RS-02-2021)
  - 545 • Contract Price was at \$22.50
- 546 ➤ **Regent Sound Limited**
- 547 • Winning bidder of the 6th shipment with a grade of 1.40% Ni (saprolite) and
  - 548 vessel still under nomination (MMDC-RS-03-2021)
  - 549 • Contract Price was at \$41.50
- 550

551 Bidding was held on June 18, 2021 for the 7<sup>th</sup> shipment for 0.70% nickel/49.00%  
552 iron (limonite).

553  
554 For Final Grades, the highlights of Mr. Alcantara’s report were as follows:

- 555
- 556 ➤ **MV Zhe Hai 169 (Vanhui Resources)** - Final grade was 1.30%Ni and Moisture
  - 557 Content was 34.28% H2O, Third-party assay laboratory is Cotecna Elite
  - 558 Philippines, Inc.
  - 559 ➤ **MV Yin Neng (Wu Hua Holding Limited)** - Final grade was 49.45%Fe and
  - 560 Moisture Content was 38.75% H2O, Third-party assay laboratory is Cotecna Elite
  - 561 Philippines, Inc.
  - 562 ➤ **MV Em Jade (Regent Sound Limited)** - Final grade was 1.29%Ni and Moisture
  - 563 Content was 37.81% H2O based on MMDC in-house result from Assay
  - 564 Department, still awaiting official result from third-party assay laboratory -
  - 565 Cotecna Elite Philippines, Inc.

566 ➤ **MV Zhong Chang Ding Sheng (Wu Hua Holding Limited)** – Final grade was  
567 **49.05%Fe** and Moisture Content was **39.71%** H2O based on MMDC in-house result  
568 from Assay Department, still awaiting official result from third-party assay  
569 laboratory – Cotecna Elite Philippines, Inc.  
570

571 For Collections:

- 572
- 573 ➤ **1st Shipment (MV Zhe Hai 169 – Vanhui Resources)**
- 574 ✓ Down payment (50%) was billed last April 12, 2021 amounting to  
575 \$880,000.00 and bank slip (Telegraphic Transfer) sent on April 19, 2021 then  
576 forwarded to Controllershship the same day. Payment was credited on April  
577 26, 2021 as confirmed by Treasury Department.
- 578 ✓ Second Payment (45%) was billed last April 23, 2021 amounting to  
579 \$792,000.00 (inclusive of Allocation \$82,500.00) and the bank slip  
580 (Telegraphic Transfer) sent on April 29, 2021 then forwarded to  
581 Controllershship the same day. Payment was credited on May 4, 2021 as  
582 confirmed by Treasury Department.
- 583 ✓ Remaining Balance (5%) and amounting to \$88,000.00 was billed in form of  
584 Final Sales Invoice and emailed to Vanhui Resources last April 17, 2021 and  
585 received the bank slip (Telegraphic Transfer) on May 24, 2021. Payment  
586 credited on May 26, 2021 as confirmed by Treasury Department.
- 587 ➤ **2nd Shipment (MV Yin Neng – Wu Hua Holding)**
- 588 ✓ Down payment (98%) was billed last April 23, 2021 amounting to  
589 \$1,210,177.25 and bank slip (Telegraphic Transfer) sent on April 27, 2021.  
590 Payment was credited also on the same day (April 27, 2021) as confirmed  
591 through email from Treasury Department.
- 592 ➤ **3rd Shipment (MV EM Jade – Regent Sound)**
- 593 ✓ Down payment (50%) was billed last May 10, 2021 amounting to \$770,000.00  
594 and the bank slip (Telegraphic Transfer) sent on May 17, 2021. Payment was  
595 credited also on the same day (May 17, 2021) as confirmed through email  
596 from Treasury Department.
- 597 ✓ Second Payment (45%) was billed last May 28, 2021 amounting to  
598 \$658,952.00 (inclusive of Allocation \$80,500.00) and the bank slip  
599 (Telegraphic Transfer) sent on June 01, 2021 then forwarded to  
600 Controllershship the same day. Payment was credited on June 02, 2021 as  
601 confirmed by Treasury Department.
- 602 ➤ **4th Shipment (MV Zhong Chang Ding Sheng – Wu Hua Holding)**
- 603 ✓ Down payment (98%) was billed last May 20, 2021 amounting to  
604 \$1,104,950.00 and the bank slip (Telegraphic Transfer) sent to Marketing  
605 Department on May 25, 2021 and forwarded right after to Controllershship.  
606 Payment was credited on May 26, 2021 as confirmed by Treasury  
607 Department.
- 608 ➤ **5th Shipment (MV Kai Xuan 11 – Regent Sound)**
- 609 ✓ Down payment (50%) was billed last June 09, 2021 amounting to  
610 \$618,750.00. Bank slip (Telegraphic Transfer) from the buyer was sent to  
611 Marketing on June 18, 2021 and forwarded to Controllershship on the same  
612 day.

613 ➤ **6th Shipment (Regent Sound)**  
 614 ✓ Down payment (60%) was billed last June 15, 2021 amounting to  
 615 \$1,369,500.00 and expected to receive the Bank slip (Telegraphic Transfer)  
 616 from the buyer not later June 22, 2021.

617  
 618 For shipment updates, Mr. Alcantara reported that the first three shipments for  
 619 2021 were the following: MV Zhe Hai 169, MV Yin Neng, and MV EM Jade. All three  
 620 shipments were completed earlier than the deadline. Shipment monitoring details were as  
 621 follows:

622  
 623 Table 22: Shipment Monitoring Details

MV Zhe Hai 169			MV Yin Neng			MV EM Jade		
Saprolite			Limonite			Saprolite		
1.30% NI / 25% FE			0.70% NI / 50% FE			1.30% NI / 20% FE		
Arrived	April 17, 2021	1136H	Arrived	May 4, 2021	1400H	Arrived	May 19, 2021	2330H
NOR	April 17, 2021	1136H	NOR	May 4, 2021	1400H	NOR	May 19, 2021	2330H
Commenced	April 19, 2021	720H	Commenced	May 4, 2021	1735H	Commenced	May 20, 2021	1335H
Pre-Stowage	55,000.00		Pre-Stowage	51,800.00		Pre-Stowage	53,720.00	
DATE	Loading		DATE	Loading		DATE	Loading	
Apr-19	11,081.00		May-05	7,743.00		May-21	6,989.00	
Apr-20	2,000.00		May-06	11,915.00		May-22	8,737.00	
Apr-20	5,769.00		May-07	6,742.00		May-23	8,020.00	
Apr-21	2,500.00		May-08	4,525.00		May-24	13,626.00	
Apr-21	7,700.00		May-09	6,667.00		May-25	8,275.00	
Apr-22	2,400.00		May-10	11,784.00		May-26	-	
Apr-22	8,080.00		May-10	2,424.00		May-27	2,332.00	
Apr-23	3,000.00					May-28	4,474.00	
Apr-23	7,766.00					May-28	1,267.00	
Apr-24	4,704.00							
Total	55,000.00		Total	51,800.00		Total	53,720.00	
Total Used time before	4.7986		Total Used time before	3.9861		Total Used time before Demurrage	6.0972	
Total Dispatched	- 5.2014		Total Dispatched	- 5.4321		Total Dispatched	- 3.6701	
Running Average	Ni 1.289% Fe 14.83% H2O 34.55		Running Average	Ni 0.79% Fe 49.45% H2O 38.784		Running Average	Ni 1.29% Fe 17.30% H2O 37.81	

624  
 625  
 626 For the month of June, there were three shipments, one of which was already  
 627 completed on June 11, 2021 and marked as dispatch while the remaining two had yet to  
 628 arrive. The summary of despatch was as follows:

- 629  
 630 ➤ **MV Zhe Hai 169 (Vanhui Resources)** – saved laytime of 5.2014 days with  
 631 despatch rate of \$13,500, which is equivalent to **\$70,218.90** of total despatch  
 632 amount.  
 633 ➤ **MV Yin Neng (Wu Hua Holding)** – saved laytime of 5.4321 days with despatch  
 634 rate of \$130,000, which is equivalent to **\$70,617.30** of total despatch amount.

- 635           ➤ **MV EM Jade (Regent Sound)** – saved laytime of 3.6701 days with despatch rate  
636           of \$15,250, which is equivalent to \$55,969.03 of total despatch amount.  
637           ➤ **MV Zhong Chang Ding Sheng (Wu Hua Holding)** – saved laytime of 4.5982 with  
638           despatch rate of \$17,500, which is equivalent to \$80,468.50 of total despatch  
639           amount.

640  
641           For the moisture penalty, Mr. Alcantara noted the following:

- 642  
643           ➤ **MV Zhe Hai 169 (Vanhui Resources)** – based on both in-house and third-party  
644           assay laboratory, moisture content was 34.38%H2O and no moisture penalty was  
645           incurred.  
646           ➤ **MV Yin Neng (Wu Hua Holding)** – based on both in-house and third-party assay  
647           laboratory, moisture content was 38.75%H2O which is above the ceiling level of  
648           36% and penalty incurred is equivalent to \$42,735.00  
649           ➤ **MV EM Jade (Regent Sound)** – based on our in-house assay laboratory, moisture  
650           content was 37.81%H2O which is above the ceiling of 36% and penalty incurred is  
651           equivalent to \$29,169.96  
652           ➤ **MV Zhong Chang Ding Sheng (Wu Hua Holding)** – based on our in-house assay  
653           laboratory, moisture content was 39.71%H2O which is above the ceiling of 36% and  
654           penalty incurred is equivalent to \$57,820.35

655  
656           Independent Director Carlos Alfonso T. Ocampo (“Dir. Ocampo”) noticed that  
657           there was more emphasis on payments from buyers and many of the buyers were either  
658           repeat buyers or had been dealing with MMDC from the beginning. He mentioned that in  
659           an Audit Committee meeting a month ago, the committee members were surprised to  
660           learn that the company was unable to reconcile receivables from buyers because of  
661           previous lapses. Dir. Ocampo said that the Audit Committee directed the Controllership  
662           to include accounting policies in the Manual of Operations to address this problem. Dir.  
663           Ocampo sought confirmation from Controllership if the directive was complied with. Mr.  
664           Tongco replied that the Controllership was discussing the matter and that it will set a  
665           meeting with Marketing to discuss the same. Mr. Tongco committed to submit the  
666           deliverable to the Audit Committee a week after the board meeting.

667  
668           Mr. Alcantara commented that Marketing had been coordinating with  
669           Controllership and it had been preparing all necessary documents. He added that all the  
670           collection documents in the past had been forwarded to Accounting and that Marketing  
671           will henceforth make arrangements so that the documents would also be forwarded to  
672           Controllership.

673  
674           There being no further comments or questions, the Board noted the report on  
675           Marketing Updates.

#### 676 677           **6.4. Legal Updates** 678

679                                   6.4.1. **For Information and/or Confirmation of Approval: Annual**  
680                                   **Shareholders’ Meeting Date and Amendment to the**  
681                                   **Articles of Incorporation and/or By- Laws of Marcventures**  
682                                   **Holdings, Inc.**  
683

684                   Atty. Katigbak presented the calendar of activities in preparation for the Annual  
685 Stockholders Meeting (“ASM”) proposed to be held on September 3, 2021. The Board was  
686 requested to approve the holding of the meeting by virtual communication, the new  
687 meeting date, record date, and to authorize the Chairman or Corporate Secretary to  
688 approve the rules and guidelines for the ASM.  
689

690                   Upon motion made and duly seconded, the following resolutions were approved:  
691

692                                   **“RESOLVED**, that the Board of Directors of **MARCVENTURES**  
693 **HOLDINGS, INC.** (the “**Corporation**”) authorizes, as it hereby authorizes,  
694 the holding of the Annual Stockholders’ Meeting of the Corporation on  
695 September 3, 2021 with the record date on August 3, 2021;  
696

697                                   **RESOLVED FURTHER**, that that the annual meeting of  
698 stockholders, or any postponements or adjournments thereof be, as it is  
699 hereby, conducted virtually by remote communication or *in absentia*, and  
700 that the casting of votes by all qualified stockholders of the Company at that  
701 meeting be done by proxy or remote communication or *in absentia* in  
702 accordance with the internal procedure to be issued by the Company.”  
703

704                   Thereafter, Atty. Katigbak presented the proposal of the Management to amend the  
705 Articles of Incorporation and / or By-Laws of Marcventures Holdings, Inc. relating to the  
706 reduction of the number of Board seats from the current 11 seats to 9 seats. With the  
707 reduction of Board seats, she noted that there was also a proposal to elevate certain  
708 members, as may be approved by the Board, to the role of Board Advisor. She explained  
709 that the reduction in Board seats will require stockholders’ approval representing at least  
710 two-thirds of the outstanding capital stock. Thus, she sought the Board’s approval of the  
711 proposed amendments to the Articles of Incorporation of the Corporation and its inclusion  
712 as an agenda item for the ASM.  
713

714                   Upon motion made and duly seconded, the Board approved the following  
715 resolution:  
716

717                                   **“RESOLVED**, that the Board of Directors of **MARCVENTURES**  
718 **HOLDINGS, INC.** (the “**Corporation**”) approves, as it hereby approves,  
719 the amendment of the Amended Articles of Incorporation of the  
720 Corporation to reduce the number of directors from eleven (11) to nine (9),  
721 thereby amending the Sixth Article of the Articles of Incorporation;

722  
 723 **RESOLVED FURTHER**, that the directors and officers of the  
 724 Corporation be, as they are hereby, authorized to sign, execute and file with  
 725 the Securities and Exchange Commission and other relevant government  
 726 agencies, such documents as may be required to give effect to the foregoing  
 727 resolution.”

728  
 729  
 730 **6.4.2. For Confirmation of Approval: Updates on Integrated**  
 731 **Annual Corporate Governance Report (I-ACGR)**  
 732

733 Atty. de Castro presented the updates on MHI’s Integrated Annual Corporate  
 734 Governance Report (“I- ACGR”). Atty. De Castro reported that pursuant to SEC Notice  
 735 dated May 25, 2021, the deadline for the submission of I-ACGR was extended until June  
 736 30, 2021. It was noted that on June 17, 2021, the I-ACGR of the Corporation for the year  
 737 ended December 31, 2020 (MHI 2020 I-ACGR) was circulated to the Board members via e-  
 738 mail for comments/approval.

739  
 740 Atty. de Castro briefed the Board on the following SEC Recommendations which  
 741 MHI was non-compliant:  
 742

SEC Recommendation	Description
<b>Optional: Recommendation 1.4.1</b>	Board Diversity policy.
<b>Recommendation 2.4.2</b>	Policy on the retirement for directors and key officers.
<b>Optional: Recommendation 2.5.1</b>	Claw back provision or mechanism on deferred bonuses for executive directors and senior executives.
<b>Optional: Recommendation to 2.6.1</b>	Professional search firms or other external sources of candidates for BoD.
<b>Recommendation 2.11.1 and 2</b>	Enterprise Risk Management (ERM) framework.
<b>Recommendation 3.2.4</b>	Audit Committee Chairman not Chair of any other committee.
<b>Supplement to Recommendation 3.2</b>	Regular meetings and dialogues with the external audit team by the Audit Committee without anyone from Management
<b>Optional: Recommendation 3.2.2</b>	Audit Committee approval of appointment/removal of internal auditor.
<b>Recommendation 3.3.2</b>	At least 3 members in Corporate Governance Committee, all of whom should be independent directors.
<b>Optional: Recommendation 3.3.1</b>	At least two meetings of Corporate Governance Committee in a year.
<b>Recommendation 3.4.1.1 to 4</b>	Board Risk Oversight Committee (BROC)
<b>Optional: Principle 4.1</b>	Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.
<b>Optional: Principle 4.2</b>	Company requires as minimum quorum of at least 2/3 for board decisions.
<b>Recommendation 5.1</b>	At least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.



<b>Recommendation 5.5</b>	Lead director among the independent directors (if chairman of the Board is not an independent director)
<b>Recommendation 5.7 and 2</b>	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
<b>Recommendation 5.1</b>	At least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.
<b>Recommendation 6.1 to 5</b>	Board self-assessment of its performance.
<b>Recommendation 6.2</b>	System that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.
<b>Recommendation 12.1</b>	Adequate and effective enterprise risk management
<b>Optional: Recommendation 12.1.1</b>	Governance Process on IT issues
<b>Recommendation 12.3.1 to 3</b>	Chief Audit Executive (CAE) appointed by the Board
<b>Recommendation 13.3.2</b>	Minutes of ASM available on company website within 5 days from meeting.
<b>Optional: Principle 13.1</b>	Secure electronic voting in absentia at the ASM.
<b>Supplement to Recommendation 15.1</b>	Reward/compensation policy

743

744

745 Upon motion made and duly seconded, the Board approved the disclosures in the  
746 I-ACGR to be submitted to the SEC.

747

748

**6.4.3. For Information: Waiver of Penalties to Date**

749

750 Atty. de Castro explained that as discussed and approved during the joint MHI and  
751 MMDC Executive Committee meeting held on April 29, 2021, Operations was granted the  
752 flexibility to recommend for approval of the OIC, the waiver of penalties if it finds that the  
753 shortfall of the Contractor that caused the penalty was due to operational constraints of  
754 MMDC.

755

756 The highlights of Atty. de Castro’s report on the Waiver of Penalties were as  
757 follows:

758

**1. Fortis Peak Development Corporation (“FPDC”)**

759

- 760 • Shipment 01:
  - 761 ○ On May 2, 2021, FPDC requested for a waiver of penalties consisting
  - 762 of demurrage incurred from the prolonged loading of LCTs in the
  - 763 amount of Php168,000.00.
  - 764 ○ Engr. Francisco recommended waiving the demurrage penalty
  - 765 because of the following reasons:
    - 766 • It was MMDC that directed FPDC to load two (2) LCTs at the
    - 767 same time so that trucks are not waiting;
    - 768 • As the LCTs being loaded by FPDC were obviously at the
    - 769 causeway and there were other 2 LCTs being unloaded at the

770 ship side, there was no reason to speed up loading of the 2  
771 LCTs at the causeway as the unloading of the 2 other LCTs by  
772 the ship side was still awaiting completion; and  
773 • In this case, the productivity of the haul trucks had to be  
774 prioritized to improve the ship loading cycle time, which  
775 resulted to faster loading time.  
776 • The waiver of the penalty applies only to the foregoing/  
777 particular incident and does not in any manner operate as a  
778 precedent.

- 779 • Shipment 03:
  - 780 ○ On June 17, 2021, FPDC sent an email to Engr. Francisco and Engr.  
781 Lito L. Mortella, Resident Mine Manager, in response to the  
782 communication FPDC received from MMDC on June 7, 2021  
783 (ORMM-2021-06-0024) showing the computation of FPDC's LCT  
784 demurrage charges incurred in the 3rd shipment (MV EM JADE)  
785 amounting to Php91,760.93. FPDC appeals that the said charges be  
786 waived since the vessel was dispatched ahead of the given laytime  
787 period. According to FPDC, same as the 1st shipment, there have  
788 been several limiting factors in the operations that are out of FPDC's  
789 control that have caused the delays.

## 791 2. TLHS

- 792 • Shipment 02:
  - 793 ○ On May 26, 2021, TLHS requested for a waiver of penalties consisting of  
794 demurrage incurred from the failure to load LCTs in the amount of  
795 Php189,000.00.
  - 796 ○ The requested waiver was duly endorsed by MMDC's Operations Team,  
797 through Engr. Francisco, who confirmed that the delay was caused by  
798 the trucks being directed by MMDC authorized personnel to dump in  
799 either two (2) of the available LCTs at the causeway thereby prolonging  
800 the time to complete loading of the LCT more than the allowed time. The  
801 rationale of this strategy was to enable the trucks to increase haul  
802 capacity for LCT loading and to finish up the over-all ship loading  
803 operations.
  - 804 ○ The foregoing waiver of the penalty does not in any manner operate as a  
805 precedent.

806  
807 There being no objections or comments, the Board noted the Legal Updates relative  
808 to Waiver of Penalties to Date.

## 809 6.5. Compliance Updates

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**6.5.1. For Information: Status of Activities on Extension of Causeway**

Engr. Bernard P. Baluda (“Engr. Baluda”), Assistant Vice President for Compliance, reported on the status of the Causeway Expansion Project as follows:

Table 23: Causeway Expansion Project

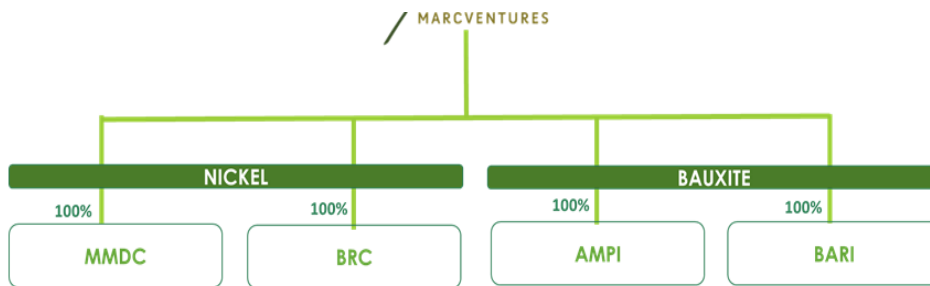
Parameters	Existing Causeway	Causeway Expansion*
<b>Technical</b>		
Production capacity	3M to 5M WMT	????
Area	18,146 m <sup>2</sup> to 18,874 m <sup>2</sup>	32,598 m <sup>2</sup>
Facilities	Existing	Additional facilities
Pieryard construction	Bon-of Stockyard	Additional stockyard
<b>Affected Compliances</b>		
Environmental Compliance Certificate (ECC)	Area Limit = 18,874 m <sup>2</sup>	32,598 m <sup>2</sup>
Foreshore Lease Agreement (FLA)	Area limit = 25,844 m <sup>2</sup>	32,598 m <sup>2</sup>
3YrDUWP (includes AEPEP and SHP)	Current cycle (2020-2022)	Not indicated
Quarry sources (Quarry permit if outside of MPSA)	For road maintenance	Additional volume
SDMP	Concerns of houses being washed out due to scouring	Possibility of increased scouring
<b>Notes:</b>		
End of BRC's MPSA extension	June 30, 2024	
End of MMDC's MPSA extension	June 30, 2027	

Engr. Baluda noted that a detailed plan from Operations was required prior to processing or amending necessary permits.

**6.5.2. For Information: Mineral Production Sharing Agreement (MPSA) Renewal Process**

Thereafter, Engr. Baluda discussed the status of the renewal of Marcventures’ MPSA as follows:

Table 24: MPSA Renewal Process



Status:	Operating	Exploration (4 <sup>th</sup> term/3 <sup>rd</sup> renewal: July 3, 2020 to <b>July 2, 2022</b> )	Exploration (4 <sup>th</sup> term/3 <sup>rd</sup> renewal: May 18, 2020 to <b>May 18, 2022</b> )
Location:	Surigao del Sur	Surigao del Sur	Samar
MPSA No.	MPSA No. 016-93-XIII	MPSA No. 015-93-XIII	MPSA No. 179-2002-VIII      MPSA No. 180-2002-VII
Area:	4,799 hectares	4,860 hectares	6,694.0473 hectares      5,519.00 hectares (For relinquishment: not more than 5,000 has.)
Date issued:	July 1, 1993	July 1, 1993	December 5, 2002 (MPSA Term – 25 years)
End of 1 <sup>st</sup> Term:	June 30, 2018	June 30, 2018	<b>December 4, 2027</b>
Date of extension:	June 24, 2016 (nine (9) years)	February 7, 2019 (six (6) years)	n/a
End of extension:	<b>June 30, 2027</b>	<b>June 30, 2024</b>	n/a
		<b>Recommended Date of Filing for Renewal/Extension: 1st Q of 2022</b>	
		Note: End of MPSA extension vs. End of 4 <sup>th</sup> term Exploration Period	

846  
847

848 It was noted that the end of the extension of term of MMDC’s MPSA in Surigao del  
849 Sur would be on June 30, 2027. As for BRC’s MPSA, also in Surigao del Sur, the end of the  
850 extended is on June 30, 2024. The recommended date of filing for renewal/extension for  
851 BRC is in the 1<sup>st</sup> quarter of 2022. In the case of the Bauxite Project, the MPSA is on its 4<sup>th</sup>  
852 term and the end of its 1<sup>st</sup> term is on December 4, 2027. Engr. Baluda pointed out that the  
853 area covered by both AMPI and BARI exceeds 5,000 hectares, thus, there is a need for  
854 relinquishment.

855

856 Engr. Baluda reported that for the MPSA Renewal Process, the complete and  
857 correct mandatory requirements for the application shall be submitted to the Mine and  
858 Geosciences Bureau (“MGB”) Region concerned for initial evaluation. The MGB Region  
859 will evaluate the application and will endorse its comments and recommendations to  
860 MGB Central Office. The MGB Central Office will further evaluate the application and  
861 endorse its recommendation to DENR. The Secretary of DENR, through the MGB Director,  
862 will grant or deny the renewal after verification by the Bureau.

863

864 Engr. Baluda pointed out that regarding BRC, the high number of unimplemented  
865 activities stipulated in the approved work programs could possibly be a reason for the  
866 denial of MPSA renewal/extension. There could also be possible objections to the renewal  
867 of MPSA from the Indigenous Peoples group. However, the renewal/extension of MPSA  
868 could possibly be justified by force majeure.

869

870 Engr. Baluda presented a comparative table for the 3 Million (“3M”) Seedlings and  
871 Special Tree Cutting and Earth Balling Permit (“STCEPs”):

872

873 Table 25: 3M Seedlings vs Special Tree Cutting and EarthBalling Permit (STCEPs)

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Paramters	3M Seedlings	STCEP Obligations	
Department	DENR	DENR	
Usec/s	Usec Jim Sampulna	Usec Juan Miguel Cuna	
Designation	Mining and Muslim Affairs	Field Operations	
Bureau	MGB	FMB	
Permit/Order	MPSA/DMPF condition (Oct. 16, 2014)	STCEP (1:100)	
Areas to be planted	agricultural (alienable & disposable)	within non-minable areas; mined out areas; other areas identified jointly by DENR and permittee as contribution to NGP	
Duration/survival rate	2 years / 85%	3yrs / 80%	
Province	Surigao del Sur	Surigao del Sur	
3M seedling	3,000,000	n/a	
STCEP	n/a	<b>Inventoried</b>	<b>Actual to be planted</b>
June 19, 2015		830,100	590,700
February 1, 2016		2,108,600	1,776,300
April 16, 2018		4,871,000	3,147,200
November 17, 2020		3,695,400	
2022 STCEP			
Total		<b>11,505,100</b>	<b>5,514,200</b>
Agreement	MOA - People's Organizations (POs) MOA (2,368,855 of 3,000,000)	MOA - People's Organizations (POs) Initial MOA (300,000 of 500,690)	
Accomplishment	840,000+++	37,223 (based on Memo from PENRO to CENRO)	

Engr. Baluda noted that from 2018 to 2020, there was tree cutting activity for STCEP and the tree inventory will begin in 2022. The actual number of seedlings to be planted is 5,514,200. Also under STCEP, a Memorandum of Agreement was signed in September 2019 for the implementation of the Adopt-NGP site for 500,690 seedlings.

### 6.6. Brightgreen Resources Corporation (“BRC”) Updates

Ms. Arlene A. Morales (“Ms. Morales”), BRC Project Head, reported that the BRC holds MPSA 015-93-XIII (valid until June 30, 2024) covering 4,860 hectares of land within the municipalities of Carrascal, Cantilan and Madrid in the Province of Surigao del Sur. The potential of the project includes nickel laterite and copper-gold deposits. She added that BRC is currently on its 3rd and final renewal of the approved exploration period from July 03, 2020 to July 03, 2022. The exploration work program submitted to MGB covers primarily the detailed study of the Nickel-Laterite Project in Mabhas-Anas and the semi-detailed study of Porphyry Project in Lobo.

916 According to her, no activities under the exploration work program submitted to  
 917 MGB were performed or conducted during the first year. The project was currently on-  
 918 hold due to financial priorities/constraints. Assuming that this project will be funded for  
 919 the exploration work program, there will be simultaneous activities for nickel and copper  
 920 project and that their team would be conducting detailed exploration for the Mabhas-Anas  
 921 Nickel Laterite Project in Cabangahan. She said that her team would also be conducting a  
 922 semi-detailed exploration for Porphyry Copper Project in Lobo, which means there would  
 923 be surface mapping and topographic mapping. In year two, a definitive feasibility study  
 924 for the Mabhas-Anas Nickel Laterite Project in Cabangahan and drilling for Porphyry  
 925 Copper Project in Lobo will be conducted.

926  
 927 Ms. Morales presented a Gantt Chart for the Exploration Work Program  
 928 reproduced below:

929  
 930

931

932

933

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935

**Table 26: Exploration Work Program**

	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Estimated Cost (Php)	Status
<b>EXPLORATION WORK PROGRAM</b>																	
<b>1 Detailed Study (Mabhas-Anas)</b>																	
Laterite Project detailed drilling																18,366,000.00	HOLD
Interpretation of Result																200,000.00	HOLD
<b>2 Topographic Survey</b>																1,968,000.00	HOLD
<b>3 Semi-detailed Study (Lobo Project)</b>																	
Surface Mapping																484,000.00	HOLD
Drilling																6,726,000.00	HOLD
<b>4 Definitive Feasibility Study</b>																7,500,000.00	HOLD
Community Development Program																6,876,840.00	HOLD
Environmental Work Program																5,800,000.00	HOLD
Contingency 10%																4,792,084.00	
<b>TOTAL</b>																<b>52,712,924.00</b>	

Legend  
 Schedule  
 Rainy Season

936  
 937

938 Ms. Morales pointed out that Year 1 of exploration requires funding amounting to  
 939 Php32 million, while Year 2 requires Php21 million. She also mentioned that as regards  
 940 non-compliance with the submitted activities, BRC will be penalized with a fine  
 941 amounting to a minimum of Php9,963,000 for the payment of unexpended amount under  
 942 DAO No. 2010-21, and continued non-compliance will lead to higher penalty. The  
 943 unofficial penalty was estimated at Php6.5 million. However, she said that BRC need not  
 944 pay the penalty yet and that MGB has given BRC one more year to comply.

945  
946 Ms. Morales also sought the approval and funding of the Exploration Work  
947 Program.

948  
949 As for the Free, Prior and Informed Consent (“FPIC”) requirement, Ms. Morales  
950 reported that the MOA negotiation was put on hold due to high IP demands (i.e. 2%  
951 royalty). She added that Brgy. Cabangahan passed a resolution allowing BRC to conduct  
952 exploration while the MOA was still under negotiation, provided that BRC pay a one-time  
953 *panuktok* fee (Php 500,000) and monthly allowances amounting to Php3,000 per tribal  
954 leader amounting to Php36,000 a month. As for Brgy. Lobo, Ms. Morales reported that the  
955 MOA was being negotiated pending the lifting of hold order on all BRC activities. She said  
956 that BRC had 56 days to complete the MOA negotiation, otherwise, it would have to start  
957 again by conducting field survey.

958  
959 Ms. Morales also rendered a report on the status of the ECC application. She noted  
960 that the Executive Committee approved the Gaia South proposal as of June 2, 2021 for the  
961 above-mentioned activities and that the contract amounted to Php1.6 million excluding  
962 operational expenses. Ms. Morales added that GAIA South will conduct fieldwork for  
963 additional baseline data required by EMB, but the exact date of the fieldwork was yet to  
964 be arranged.

965  
966 For MPSA, Ms. Morales noted that MPSA-015-93-XIII was valid until July 30, 2024  
967 and can be renewed for another 25 years. However, no requirements under the condition  
968 of renewal had been completed as of date. She said that BRC’s Management proposed to  
969 apply for extension in place of renewal using force majeure as justification.

970  
971 Dir. Ocampo inquired as to whether the BRC team had established a business case  
972 for full operations and considering possible issues looking forward, he asked if the team  
973 had plans on how to address these issues. Ms. Morales answered that in 2015, the team  
974 conducted a feasibility study that was forwarded to Engr. Francisco. The study included  
975 the profitability of the areas covered by the project.

976  
977 Dir. Ocampo inquired what were the chances of realizing profit notwithstanding  
978 the numerous requirements and issues that may arise. Dir. Ocampo explained that there  
979 must be a reasonable expectation of profitability before the Company decides to invest in  
980 this undertaking. Ms. Morales replied that the Exploration Work Program was actually a  
981 prerequisite for them to assess the profitability of the area.

982  
983 Mr. Alcantara commented that the initial plan was for BRC to get an operator.  
984 Management could prepare the business case, however, it found out recently that SRMI  
985 would not push through with the operation. Dir. Ocampo noted that if an operator was  
986 uncertain to proceed with this undertaking, it will be all the more risky for the Company  
987 to invest in this project. He said that it was not advisable for the Company to gamble if

988 there was no business case. Dir. Ocampo would like to see a substantial basis for spending  
989 Php53 million for this project. He clarified that team must be committed to a plan before  
990 the Company commits any funds.

991  
992 Director Augusto Serafica, Jr. (“Dir. Serafica”) commented that the business  
993 direction that Dir. Ocampo was asking was a matter of having a technical person, like  
994 Engr. Francisco, advising the Board on the business case. He said that perhaps there was  
995 a need for the Management to crystallize the intended direction. Dir. Serafica, then,  
996 requested the Management to present a clear business case

997  
998 Mr. Alcantara undertook to study the matter further and discuss it with Engr.  
999 Francisco so that a better scenario could be presented to the Board. The request for  
1000 approval of the funding for the Exploration Work Program was withdrawn in the  
1001 meantime.

## 1002 1003 **6.7. Samar Bauxite Project (“SBP”) Updates**

1004  
1005 Ms. Jayvhel T. Guzman (“Ms. Guzman”), SBP Project Head, gave an update on the  
1006 timeline and activities of the SBP.

1007  
1008 Ms. Guzman discussed the justifications to continue permitting activities of the  
1009 SBP. She noted that the MPSAs of Alumina Mining Philippines, Inc. (“AMPI”) and Bauxite  
1010 Resources, Inc. (“BARI”) were approved in 2002 covering a total of 12,129 hectares. In  
1011 2017, the Corporation acquired AMPI and BARI from Asia Pilot Mining Philippines Corp.  
1012 Now, the SBP is in the extension of the 4<sup>th</sup> term of exploration period of both projects,  
1013 applicable until June 18, 2022.

1014  
1015 Ms. Guzman reported that from the time the Corporation acquired AMPI and  
1016 BARI, several investors have looked into the project including:

### 1017 1018 **1. SHEN ZOU**

1019 In June 2019, Shen Zou went to Samar and collected samples. It also asked for permits  
1020 of the project and expressed interest on the project but no further negotiations occurred  
1021 after the field work.

### 1022 1023 **2. TIANSHAN**

1024 Also in June 2019, MHI sent two samples to the Tiangshan Guangxi Plant – both low  
1025 grade and high grade. Tianshan commented that the bauxite ore is wet (high moisture  
1026 content) and needs drying from 30% to 12-15%. No further negotiations were made as  
1027 it was interested in buying ore only, instead of buying in the mine.

### 1028 1029 **3. JIN GUO TOU**



1030 In September 2019, Jin Guo Tou went to Samar and visited the proposed facility  
1031 locations. It was concerned with the type of deposit which had higher moisture. It only  
1032 considered the project if it could be shown that moisture can be decreased. The  
1033 Corporation conducted moisture determination activity which resulted in at least 20  
1034 days of sun-drying to achieve target moisture content. Jin Guo Tou, however,  
1035 communicated that it was deferring its interest in the Samar Bauxite Project.

1036  
1037 **4. GLORY PACIFIC BAUXITE KOREA**

1038 In June 2021, MHI received communication from President Kim Jae Kwang expressing  
1039 his interest to meet RSS from June 25 onwards. It appeared to be an arranger only and  
1040 did not have a balance sheet or technical operating activities.

1041  
1042 Ms. Guzman noted that the DENR moratorium on new mining projects in 2017, the  
1043 opposition from Samar Island Natural Park (SINP) Protected Area Management Bureau  
1044 (PAMB), and the onset of pandemic and country-wide lockdown in March 2020 caused  
1045 the delay in processing the necessary permits.

1046  
1047 Ms. Guzman pointed out that since interested investors kept asking for the required  
1048 permits, it was essential for the team to work on the approvals from the local government  
1049 units, DENR and MGB. She recommended the continuation of permitting activities  
1050 leading to the completion of the Samar Bauxite Project. However, considering the limited  
1051 resources of the Company at the moment, she noted that the permitting activities could  
1052 be deferred to the next quarter (or the next three months). She said that at most, the  
1053 permitting requirements should be completed before the 2022 elections.

1054  
1055 There being no comments or objections, the Board approved the proposed  
1056 continuation of permitting activities for the Samar Bauxite Project.

1057  
1058 **6.8. Human Resources Updates**

1059  
1060 **6.8.1. For Information and Confirmation of Approval:**  
1061 **Procurement of new Human Resource Information System**  
1062 **("HRIS")**

1063  
1064 Ms. Deborra C. Ilagan ("Ms. Ilagan"), Vice President for Human Resources and  
1065 Administration, presented the proposal for the procurement of new Human Resources  
1066 Information System ("HRIS"). She noted that as part of the process improvement, the HR  
1067 Department sought the procurement of an HRIS to computerize 201 records of  
1068 employees, time and attendance monitoring and reporting, and payroll processing both  
1069 in Makati Office and the Minesite. The four (4) shortlisted vendors include:

- 1070  
1071 1. Professional Management Consulting Services, Inc. (PMACS)  
1072 2. Commerce One Business Solution, Inc. (Commerce One)

- 1073 3. Noah Business Applications (Noah)
- 1074 4. AGS 128 HR Solutions (AGS)

1075  
 1076 Ms. Ilagan presented a comparison of these four vendors in terms of cost, features  
 1077 of the information system and payback period as shown below:  
 1078  
 1079

Table 27: Comparison of the Four Vendors

PARTICULARS	Vendor 1	Vendor 2	Vendor 3	Vendor 4
	VENDORS			
	Professional Management and Consulting Services, Inc.	Commerce One Business Solutions Inc.	NOAH Business Solutions	AGS 128 HR Solutions
	PMACS	COMMERCE ONE	NOAH	AGS
Cost	500,000.000	2,733,000.00	6,800,000.00	5,542,400.00
Software	500,000.000	1,408,000.00	6,800,000.00	3,400,000.00
Implementation		1,140,000.00		1,548,571.43
Maintenance Services	90,000.000	281,600.00	1,156,000.00	612,000.00
Features	<b>HRIS Module</b> <i>Admin. Module/ Company Set-up</i> <i>Personal Info. Module (201 File)</i> <b>Timekeeping System</b> <i>Real Time Update</i> <i>Online DTR and Report Generation</i> <b>Payroll System Modules</b> <i>Automated calculation on absences and Overtime Pay</i> <i>Govt. Mandates calculations</i>	<b>HRMWin Module</b> <i>Employee Profile, Leave, Correspondence and Security</i> <b>TMSWIN</b> <i>Attendance records</i> <b>PAYWIN (Payroll)</b> <i>Payroll Register, Government Report, Payslips and Bank Advise</i> <b>Employee Self Service (web-enabled services)</b> <i>e-Leave, e-Payslips and e-Attendance</i>	<b>HRIS Module</b> <i>Employee 201 File</i> <b>Employee Self- Service</b> <i>Employee Online Portal</i> <b>Employee Benefits and Entitlement Management</b> <b>Timekeeping and Payroll</b>	<b>HRIS Module</b> <i>Employee 201 File</i> <b>Employee Self- Service</b> <i>Employee Online Portal</i> <b>Employee Benefits and Entitlement Management</b> <b>Timekeeping and Payroll</b>
Exclusions (For customization)	Payroll Register In-House Report Format Government Report Bank File/ Upload Formats	All-in	All-in	All-in
Headcount	600	600	600	600
Cost per head	833.33	4,555.00	11,333.33	9,237.33
Payback Period	9 months	24.26 Months	50.22 Months	57.78 Months

1080  
 1081  
 1082 To provide a certain level of objectivity and guidance, the department used the  
 1083 following criteria in choosing a supplier:  
 1084

Table 28: Criteria Used in Choosing a Supplier

1085  
 1086

CRITERIA SCORES	WEIGHT	PMACS (VENDOR 1)	COMMERCE ONE (VENDOR 2)	NOAH (VENDOR 3)	AGS (VENDOR 4)
		WEIGHTED SCORE	WEIGHTED SCORE	WEIGHTED SCORE	WEIGHTED SCORE
1. Business and Market Expertise	0.10	0.40	<b>0.47</b>	0.47	0.43
2. Company Information	0.15	0.24	<b>0.30</b>	0.30	0.30
3. Vendor Software Viability & History	0.15	0.60	<b>0.70</b>	0.70	0.60
4. Terms & Conditions	0.15	0.65	<b>0.70</b>	0.65	0.60
5. Vendor Software Demonstration	0.15	0.58	<b>0.66</b>	0.64	0.58
6. Fee Summary	0.30	1.43	<b>1.35</b>	1.05	0.83
<b>Total Score</b>	<b>1.00</b>	<b>3.90</b>	<b>4.17</b>	<b>3.80</b>	<b>3.34</b>

1087  
1088

Ms. Ilagan noted that using these criteria, Commerce One became the preferred vendor. She reported that Commerce One was vetted and approved by the Executive Committee on April 29, 2021 as the HRIS provider of the company. This was endorsed to the Board for its approval.

1093

According to Ms. Ilagan, upon securing the Board’s approval, the following timeline shall be implemented:

1094

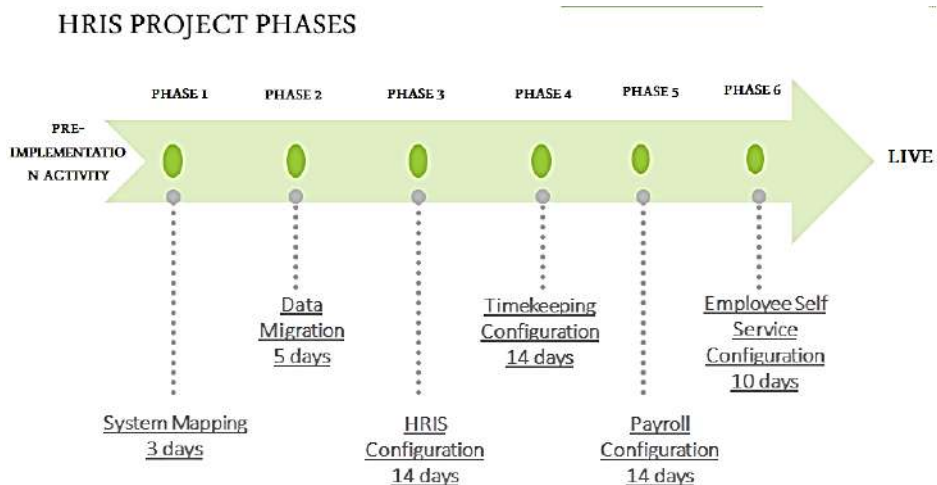
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Table 29: Timeline for the HRIS Project

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Ms. Ilagan noted that it will take 70 days to complete the project or equivalent of three months for the implementation.

1103

1104

1105

Dir. Ocampo confirmed that Commerce One gained the endorsement of the Executive Committee; however, he noted that the committee had not seen the table of

1106 comparison with criteria scores. He asked Ms. Ilagan to confirm if Commerce One was  
1107 also superior when it comes to technical support, cost of any upgrade and hardware  
1108 requirements in case of any software updates. According to Ms. Ilagan the Company's IT  
1109 support had a meet up with Commerce One to make sure that there would be no  
1110 additional cost for upgrade and that the current hardware could support the program.

1111  
1112 Dir. Ocampo requested Ms. Ilagan to add technical support, cost of any upgrade  
1113 and hardware requirements in case of any software updates in the criteria for choosing a  
1114 supplier for future consideration. Dir. Ocampo also noted that the criteria number 4  
1115 ("Terms and Conditions") was too vague.

1116  
1117 Ms. Ilagan noted the request of Dir. Ocampo. She also commented that the Legal  
1118 Department was currently reviewing the draft contract with Commerce One.

1119  
1120 Upon motion made and duly seconded, the appointment of Commerce One as the  
1121 HRIS provider of the Company was approved.

1122  
1123  
1124 **6.8.2. For Information: Status of Engr. Eduardo M. Francisco's**  
1125 **Consultancy Extension**

1126  
1127 Ms. Ilagan also gave an update on the consultancy engagement of Engr. Francisco.  
1128 She reported that the consultancy engagement was extended up to July 31, 2021. A  
1129 performance review would be conducted by the OIC and the Chairman of the Executive  
1130 Committee, and the status of engagement will be determined after the performance  
1131 review.

1132  
1133 The Board noted the report.

1134  
1135 **VII. OTHER MATTERS**

1136  
1137  
1138 There being no other matters to discuss, the Board proceeded to the Executive  
1139 Session.

1140  
1141 **VIII. ADJOURNMENT**

1142  
1143 There being no further matters to discuss, the meeting was thereupon adjourned.

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**ANA MARIA A. KATIGBAK**  
Assistant Corporate Secretary

**CESAR C. ZALAMEA**  
Chairman

1192 **ATTESTED BY:**

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1196 **ISIDRO C. ALCANTARA JR.**

1197 Director

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1201 **CARLOS ALFONSO T. OCAMPO**

1202 Independent Director

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1206 **MICHAEL L. ESCALER**

1207 Director

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1211 **AUGUSTO SERAFICA, JR.**

1212 Director

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**MARIANNE T. DY**

Director

**ANTHONY M. TE**

Director

**RUBY K. SY**

Director

**KWOK YAM IAN CHAN**

Independent Director

**NOTICE OF THE REGULAR MEETING  
OF THE  
BOARD OF DIRECTORS  
OF  
MARCVENTURES HOLDINGS, INC.**

To : All Directors

Mr. Cesar C. Zalamea - *Chairman*  
Mr. Isidro C. Alcantara, Jr. - *Director*  
Mr. Macario U. Te - *Director*  
Mr. Anthony M. Te - *Director*  
Mr. Augusto C. Serafica, Jr. - *Director*  
Mr. Michael L. Escaler- *Director*  
Ms. Marianne Regina T. Dy - *Director*  
Ms. Ruby K. Sy- *Director*  
Atty. Carlos Alfonso T. Ocampo - *Independent Director*  
Mr. Kwok Yam Ian Chan - *Independent Director*

Re : Board Meeting on 12 January 2021

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Please be reminded that the regular meeting of the Board of Directors of **MARCVENTURES HOLDINGS, INC. (MHI)** will proceed as scheduled on **12 January 2021 (Tuesday), 2:00 p.m.** at the 4<sup>th</sup> Floor Citibank Center, 8741 Paseo de Roxas, Makati City.

To further safeguard everyone's health and safety in view of the ongoing COVID-19 pandemic, we still highly encourage attendees to attend the Board meeting via teleconferencing (**Zoom**). Attached herewith are the instructions on how to connect via Zoom (see **Annex "A"**). However, representatives of the Office of the Corporate Secretary will also be present on-site to assist Board members who may opt to attend in person. For those who will be joining over Zoom, kindly refer to the link provided below:

Join Zoom Meeting

<https://us02web.zoom.us/j/84868209461?pwd=eTFla0wvb1F0RUorS2pwVmpqRndrQT09>

Meeting ID: 848 6820 9461

Passcode: 844361

The Updated Agenda for the said meeting is as follows:

1. Call to Order
2. Certification of Quorum
3. Approval of the Agenda
4. Approval of the Minutes of the Previous Meeting/s
5. For Information, Discussion, and/or Approval
  - 5.1 Operations
    - 5.1.1 Comparison of Changes in Operations for Y2020 and Y2021 (Scenarios, strategies ,and Mine Plan)
    - 5.1.2 Performance Assessment Report on EZM Operations for 2020 (inclusive of tonnage, equipment compliances/ non-compliances,

- violations, infractions, and other evaluation criteria and Recommendations)
- 5.2 Legal
    - 5.2.1 For Approval: Highlights of comparative contractual revisions for 2019, 2020, and 2021 based on operational concerns and changes
  - 5.3 Controllership
    - 5.3.1 For Information: Comparative presentation of previous years' financials
    - 5.3.2 For Information and Approval: Budget|Actual Y2020 and Budget Y2021 (including control points, status of restructured or new lines, liquidated damages benchmarking for inquisition in contract revisions, and post-closing checklist, documentation, and processes under Contracts Management)
    - 5.3.3 For Information: SAP Project Timeline and Implementation
  - 5.4 Marketing
    - 5.4.1 Changes in Marketing processes and contracts
    - 5.4.2 Demurrage (Updates on Negotiations)
    - 5.4.3 2021 Prices, Shipments, and Sales Projections
  - 6. Other Matters
    - 6.1 For Information and Discussion
      - 6.1.1 Internal Audit's Updates on 2017-2018 Status of Contractors' Payables and Updates on 2021 Audit Plan (including Audit Procedures on Control Points, Processes, and Checklists)
      - 6.1.2 Brightgreen Resources Corporation (BRC) Project Updates
      - 6.1.3 AMPI-BARI Samar Bauxite Project (SBP) Updates
    - 6.2 For Approval/Confirmation of Approval
      - 6.2.1 3M Seedling Confirmation Approval and Authority of Mr. Rolando S. Santos to Sign Implementing Documents
      - 6.2.2 Confirmation of MHI Executive Committee's approval of the agreement with Financial Risk Resolution Advisory, Inc. (FRRA)
  - 7. Executive Session: Human Resources Matters
  - 8. Adjournment

Your presence is earnestly requested. Kindly advise the undersigned of your attendance and whether you will be attending the meeting in person or by teleconference facilities at –

09199937231 or via email confirmation to [maila.decastro@marcventures.com.ph](mailto:maila.decastro@marcventures.com.ph); OR  
09088903364 or via email confirmation to [jermaine.ejan@marcventures.com.ph](mailto:jermaine.ejan@marcventures.com.ph).

With copy furnished to CC [legal@marcventures.com.ph](mailto:legal@marcventures.com.ph)

January 08, 2021. Makati City, Philippines.



**Atty. Maila G. de Castro**  
Co-Assistant Corporate Secretary of MHI





CC:

**Office of the Corporate Secretary**

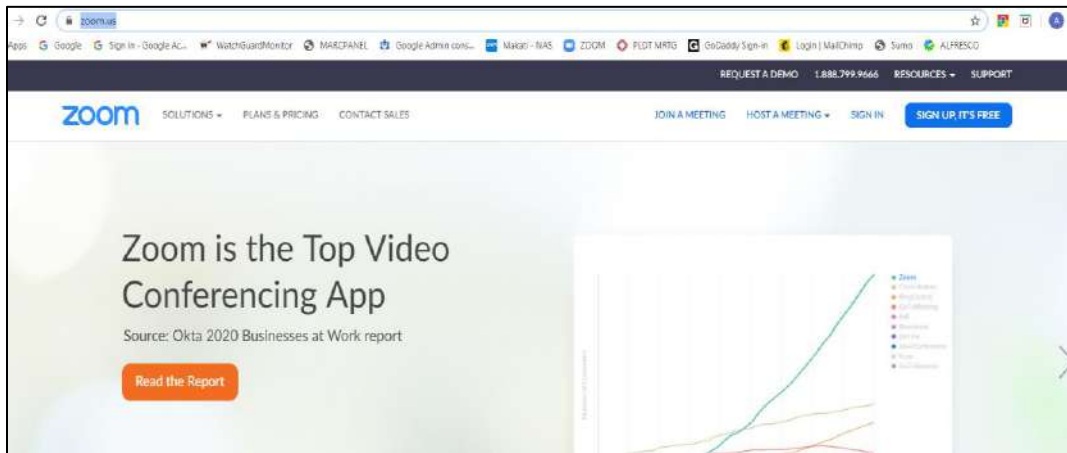
Atty. Roberto V. San Jose - Corporate Secretary of MHI

Atty. Ana A. Katigbak - Assistant Corporate Secretary of MHI

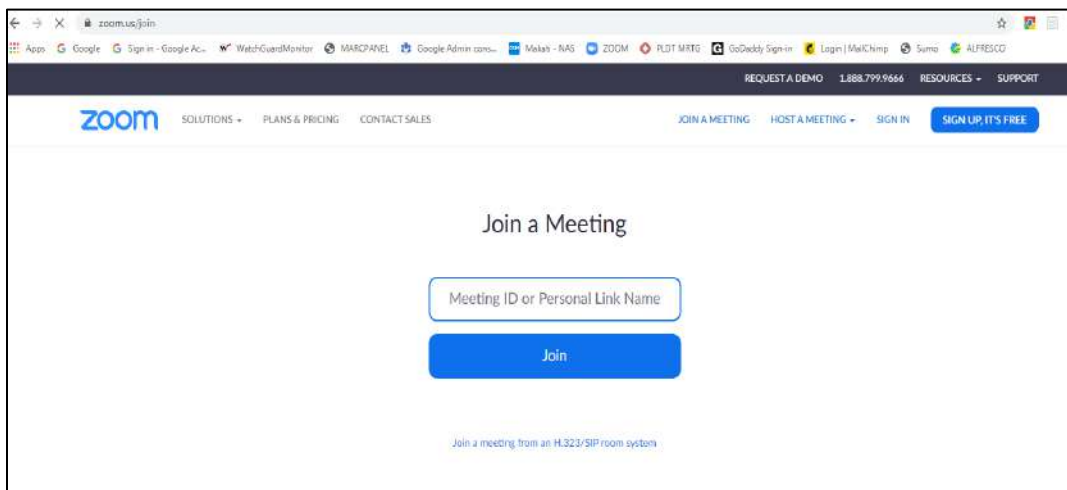
# Step by Step Procedures (How to Join a Zoom Meeting)

## Zoom for Laptop

STEP 1. Input **www.zoom.us** using internet browser (Google Chrome, Safari, etc.)



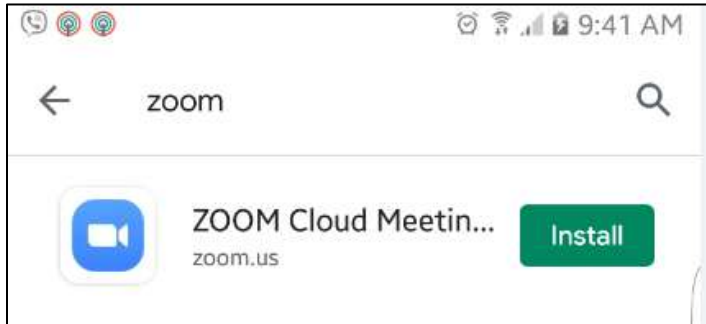
STEP 2. Click **“JOIN A MEETING”** and Input a **“MEETING ID”** (IT Department / Hosting User will send a Meeting ID via SMS/Text)



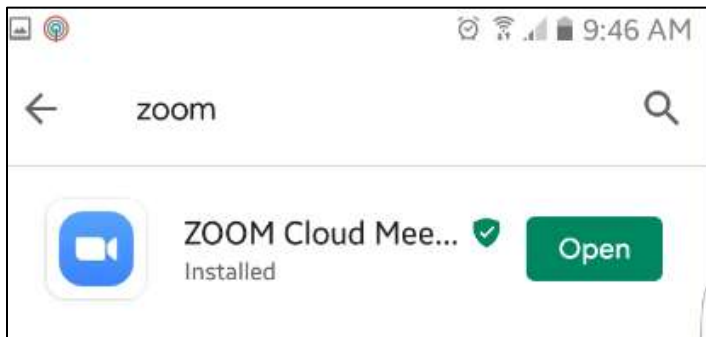
# Zoom for Cellphone

STEP 1.

Download **“Zoom Cloud Meeting”** using **Play Store (Android)** or **App Store (IOS/iPhone)**



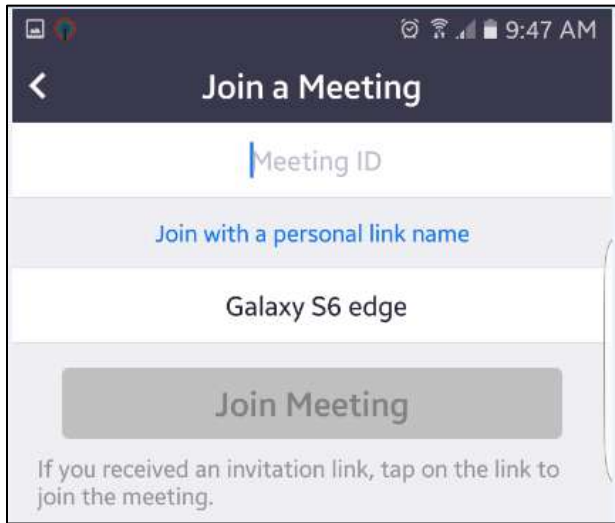
STEP 2. - Click **“Open”**



STEP 3 – Click **“Join a Meeting”**



Step 4 – Input **“Meeting ID”** (IT Department / Hosting User will send a Meeting ID via SMS/Text) then click **“Join Meeting”**





**Securities and Exchange Commission**  
 Secretariat Building, PICC Complex  
 Roxas Boulevard, Manila 1307

**Attention: Atty. Rachel Esther Guntang-Remalante**  
 Office of the Director  
 Corporate Governance and Finance Department

**Re: Report on Attendance of Directors at  
 2021 Board Meetings**

Gentlemen:

In compliance with the Securities and Exchange Commission (SEC) Memorandum Circular No. 1, series of 2014, we hereby formally advise the Commission of the following:

- The following table summarizes the attendance of the directors of **Marcventures Holdings, Inc.** (the "Corporation") in board meetings held by the Corporation during the calendar year 2021.

	Name	Number of Meetings Held During the Year	Number of Meetings Attended	Percentage
Chairman	Cesar C. Zalarnea	7	7	100%
Board Member	Isidro C. Alcantara, Jr.	7	6	85.71%
Board Member	Marianne T. Dy	7	7	100%
Board Member	Michael L. Escaler	7	4	57.14%
Board Member	Augusto C. Serafica, Jr.	7	7	100%
Board Member	Ruby K. Sy	7	7	100%
Board Member	Anthony M. Te	7	6	85.71%
Board Member	Macario U. Te (resigned effective June 7, 2021)	3	2	66.67%
Independent Director	Carlos Alfonso T. Ocampo	7	7	100%
Independent Director	Kwok Yam Ian Chan	7	7	100%

2. The Board of Directors of the Company held its meetings in the year 2021, specifically on the following dates:

Date of Meeting	Nature of Meeting
January 12, 2021	Regular Board Meeting
March 16, 2021	Special Board Meeting
May 6, 2021	Regular Board Meeting
June 25, 2021	Regular Board Meeting
September 03, 2021	Organizational Board Meeting
September 27, 2021	Special Board Meeting
November 19, 2021	Regular Board Meeting

3. Based on the records of the minutes of the above meetings of the Corporation, no director has absented himself for more than fifty percent (50%) from all meetings of the Board of Directors, both regular and special, during his incumbency in the year 2021. Attached as Annex "A" hereof is a summary of the attendance of the directors.
4. The Corporation held its Annual Stockholders' Meeting and Organizational Board Meeting on September 3, 2021. The Chairman of the Board and majority of the directors of the Corporation likewise attended the said Annual Stockholders' Meeting and Organizational Board Meeting of the Corporation on September 3, 2021.

We trust that the foregoing is sufficient. Should you require any further information, please let us know.

Very truly yours,

  
Ana Maria A. Katigbak  
Asst. Corporate Secretary

**Annex "A"**  
**Meetings of the Board of Directors for the Year 2021**

Name of Directors	RM 01.12.21	SM 03.16.21	RM 05.06.21	RM 06.25.21	OM 09.03.21	SM 09.27.21	RM 11.19.21
Cesar C. Zalamea	√	√	√	√	√	√	√
Isidro C. Alcantara, Jr.	√	√	√	√	√	√	X
Marianne T. Dy	√	√	√	√	√	√	√
Michael L. Escaler	X	√	X	√	√	√	X
Augusto C. Serafica, Jr.	√	√	√	√	√	√	√
Ruby K. Sy	√	√	√	√	√	√	√
Anthony M. Te	√	√	√	√	X	√	√
Macario U. Te	√	X	√	N/A	N/A	N/A	N/A
Carlos T. Ocampo	√	√	√	√	√	√	√
Kwok Yam Ian Chan	√	√	√	√	√	√	√

**Legend:**

- √ - Present
- X - Absent
- RM - Regular Board Meeting
- SM - Special Board Meeting
- OM - Organizational Board Meeting
- N/A - Not Applicable

Portion of the Minutes of the Joint Meeting of the Audit Committee of MHI and Marcventures Mining and Development Corporation (MMDC), one of MHI's subsidiaries, dated 12 April 2021

After concluding the report on the operating subsidiary (MMDC), Ms. Angeles proceeded with her presentation on the consolidated statements of comprehensive income after adjustments. In terms of balance sheet, it will mainly be MMDC and MHI.

Table/Illustration 50: Consolidated Statements of Comprehensive Income

Presentation to the Audit Committee December 31, 2020 Audit Results		Presentation of Audit Results		
Consolidated Statements of Comprehensive Income		Agenda		
	2020	2019	Change	%
REVENUE	₱2,876,676,296	₱1,432,534,095	₱1,444,142,2021	101%
COSTS OF SALES	1,616,611,587	847,975,370	768,636,217	93%
GROSS PROFIT	1,260,064,709	584,558,725	675,505,984	116%
OPERATING EXPENSE	(706,816,138)	(407,983,396)	298,832,742	73%
INTEREST EXPENSE	(64,492,697)	(61,630,647)	(2,862,050)	5%
INTEREST INCOME	765,978	236,547	529,431	224%
OTHER INCOME – Net	(284,887,947)	10,777,723	(295,665,670)	-2743%
NET INCOME BEFORE INCOME TAX	204,633,905	125,958,952	78,674,953	62%
INCOME TAX EXPENSE (BENEFIT)				
Current	249,925,830	12,337,430	237,588,400	-1926%
Deferred	(47,523,526)	(75,779,116)	(123,302,642)	-163%
	202,402,304	88,116,546	114,285,758	130%
NET INCOME (LOSS)	2,231,601	37,842,406	(35,610,805)	-94%
OTHER COMPREHENSIVE INCOME (LOSS)	(2,159,008)	(4,298,125)	2,139,117	-50%
TOTAL COMPREHENSIVE INCOME	₱72,593	₱33,544,281	(₱33,471,688)	-100%

According to Ms. Angeles, the decline in the net income in the consolidated statements is because of the losses in the non-operating subsidiaries.

Atty. Ocampo requested clarification on RTC's earlier statement re the recoverability of limonite which needs Management decision. RTC responded that their understanding is that it is on a per location basis, and that there are future plans of selling limonite with limonite being extracted first before saprolite and that limonite is not saleable. Atty. Ocampo said his understanding is that there should be no substantial degradation as MMDC does benching, and that limonite ores are kept and set aside for future sales when prices are favorable.

Dir. Kwok Yam Ian Chan (Dir. Chan) mentioned that for 2021, they included limonite in the program because there a good potential market for it. He added that when saprolite ores are



extracted, the new tagging they put for limonite ores is non-commercial ores (NCOs). But if the market becomes profitable, MMDC will do blending to market those. To date, the current market is good for limonite ores.

Atty. Ocampo clarified if the limonite ores that are currently being recovered out of extracting saprolite ores and can still be sold in the future without impairment or if that will result to a loss.

Dir. Chan confirmed that limonite ores can be kept and set aside adding that some limonite ores will result to a loss, and some will not, depending on the grade. If grade is close to blending then MMDC can blend those, and then sell those in the market.

Atty. Ocampo asked Dir. Chan if there is an industry term for the process of setting aside the ores which RTC may take note of, to which Dir. Chan said he will get information from Engr. Eduardo M. Francisco, MMDC's Consulting Operations Head, as to the industry term and revert to RTC for their information and reference.

RTC, however, noted that per accounting records, there is no movement in the inventory of limonite, thus there is no allocation cost in the inventory. If something can be recovered in the future, there must be an estimate on the limonite portion as to what can be recovered.

Atty. Ocampo suggested to identify the point person/s in Management who will be tasked to coordinate with RTC in connection with the recoverability of limonite and the estimate that RTC noted earlier. Atty. Ocampo then requested Dir. Chan to appoint someone in Management to help out RTC in that.

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# Marcventures Mining and Development Corporation

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## Accreditation Policy

## Accounting Policy

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**I. REVISION HISTORY**

Version	Date	Reference No.	Author(s)/Contributor/s	Revision Notes
1	9/15/17		Corporate Services	

**II. REFERENCES/RELATED DOCUMENTS**

Title	Reference No.	Author(s)/Contributor(s)	Version	Effectivity Date

### III. PURPOSE

This document aims to establish guidelines to effectively manage the Company's contractors and suppliers by setting standards in the accreditation process. Moreover, this document seeks to implement controls to ensure that all accredited contractors and suppliers comply with labor laws and regulations particularly Department Order 174 of the Labor Code.

### IV. SCOPE

This document defines the guidelines and procedures in handling contractor's/supplier's accreditation including manpower agencies, security service contractors, equipment rental services, LCT operators, etc. It also defines the functions and responsibilities of the organizational units involved in the accreditation processes.

### V. DEFINITION OF TERMS

1. **Contractor** - refers to any person or entity engaged in a legitimate contracting or subcontracting arrangement providing services for a specific job or undertaking farmed out by the principal under a Service Agreement.
2. **Supplier/Vendor** – refers to a party that supplies goods or services which may either be a company or an individual. A supplier/vendor may be distinguished from a contractor or subcontractor, who commonly adds specialized input to deliverables.
3. **Security Service Contractor (SSC)** – is synonymous with **Private Security Agency (PSA)** refers to any person, association, partnership, firm or private corporation engaged in contracting, recruitment, training, furnishing, or posting of security guard and other private security personnel to individuals, corporations, offices and organizations, whether private or public, for their security needs as the Philippine National Police (PNP) may approve.
4. **Service Agreement** – refers to the contract between the principal and contractor containing the terms and conditions governing the performance or completion of a specific job or work being farmed out for a definite or predetermined period.

5. **Substantial Capital** – refers to paid-up capital stock/shares of at least **Five Million Pesos (P5,000,000)** in the case of corporations, partnerships and cooperatives; in the case of single proprietorship, a net worth of at least **Five Million Pesos (P5,000,000)**

## VI. BASIC AUTHORITY AND RESPONSIBILITIES

### **Applicant for Accreditation**

1. Submits all documentary requirements under this policy.

### **Finance Head/Admin (Minesite)**

1. Checks completeness of documents submitted by Applicant based on Annex A.
2. Reviews documents submitted particularly the validity of the Certificate of Registrations from DOLE, and substantial capitalization based on the audited financial statements.
3. Coordinates with Admin and Internal Audit and schedules within two (2) working days upon receipt of the application with complete supporting documents actual inspection/survey of the applicant's offices, equipment, operations and manpower resources.
4. Recommends pre-qualified applicant to Legal for credit investigation, as necessary.
5. Ensures completion of report within three (3) working days after the verification inspections and results of credit investigation
6. Submits the results of the evaluation and inspections to concerned department heads for approval.

### **Legal**

1. Engages a competent credit investigation person/entity to verify credit standing of the applicant.
2. Submits results of credit investigation to Finance/Admin for final evaluation

### **Approving Authority (VP Operations/Resident Mine Manager/Process Owner)**

1. Reviews and recommends Service Agreement to President for signature.

### Internal Audit

1. Conducts actual inspection/survey of the applicant's offices, equipment, operations and manpower resources.

## VII. POLICY STATEMENTS

### 1. Pre-qualification

Finance shall conduct pre-screening of applicant for accreditation based on the required documents (*Refer to Appendix*) submitted by the applicant.

- a. Based on financial reports submitted, the applicant must have a substantial capital of P5,000,000.
- b. The application shall be supported by the following:
  - i. A certified true copy of a certificate of registration of firm or business name from the Securities and Exchange Commission (SEC), Department of Trade and Industry (DTI), Cooperative Development Authority (CDA), or from the DOLE if the applicant is a labor organization or a security service contractor;
  - ii. A certified true copy of the license or business permit issued by the local government unit or units where the contractor operates;
  - iii. A certified listing, with proof of ownership or lease contract, of facilities, tools, equipment, premises implement, machineries and work premises that are actually and directly used by the contractor in the performance or completion of the specific job or work contracted out. In addition the applicant shall submit a photo of the office building and premises where it holds office;
  - iv. A copy of the audited financial statements if the applicant is a corporation, partnership or cooperative or a copy of the latest ITR if the applicant is a sole proprietorship; and
  - v. A sworn disclosure that the applicant, its officers and owners or principal stockholders or any one of them has no pending legal cases of violations

of the Labor Rules and Standards or with a cancelled registration from the Department of Labor and Employment (DOLE).

2. The application with all supporting documents shall be filed in duplicate and submitted to the Admin Office (Minesite) or Finance (Makati) as the case may be. No application for accreditation shall be accepted unless all the requirements in the preceding section are complied with.
3. In the pre-screening process Finance shall be guided by the following criteria:
  - a. No derogatory records such as collection cases against the applicant's Company and its major stockholders and key officers.
  - b. Must be able to comply with all the pre-qualification documents as enumerated in Appendix A.
  - c. Must be able to show proof of substantial capital in the audited financial statement, bank certificate or fixed assets and equipment under the name of the applicant.
4. To establish authenticity, Finance in coordination with Admin Department and Audit (Makati and Minesite), within two (2) working days upon receipt of the application with complete supporting documents, shall conduct inspection/survey of the applicant's offices, equipment, operations and manpower resources.
5. Except for suppliers/vendors, Finance shall recommend pre-qualified applicant to Legal for credit investigation.
6. An MMDC accredited credit investigation agency shall conduct the credit investigation of the applicant under the direction of Legal.
7. Admin/Finance and Audit shall within three (3) working days after the verification inspections including results of credit investigation shall submit the results of the evaluation and inspections to concerned department heads who shall approve or deny the application. Application that failed to meet the requirements set forth in Section 1 shall be automatically denied.

<b>Marcventures Mining and Development Corporation</b>	
<b>Accreditation Policy</b>	Reference: <b>AC-MOP-002</b>
Manual of Operations	Page <b>6</b> of <b>12</b>

#### **8. Approval of Application for Accreditation**

Based on recommendation of Finance and on the results of credit investigation by the credit investigation agency (as applicable), application for accreditation shall be evaluated and approved/disapproved by the concerned groups e.g. Marketing, Engineering or Purchasing heads through a Contractor Evaluation Report Form (Refer to Annex B).

#### **9. Preparation of Service Agreement**

Upon approval, a Service Agreement shall be provided by Legal to the applicant-contractor for signature and proper guidance.

#### **10. Renewal of Accreditation**

All accredited contractors in the previous year shall apply for renewal of their accreditation in the current year. The contractor shall likewise submit an updated requirements as enumerated in Appendix A.

#### **11. Grounds for Cancellation of Accreditation**



MMDC may, upon a verified complaint, cancel or revoke the accreditation of a contractor after due process, based on the following grounds:

- a. Misrepresentation of facts in the application
- b. Submission of falsified tampered documents or supporting documents to the application for accreditation.
- c. Non-compliance with labor standard and working conditions
- d. Violations of any provisions of the Labor Code




## VIII. PROCEDURES

### 1.0 Pre-qualification

	Responsible Personnel	Procedure	Document
1.1	Finance (Makati) and/or Admin (Minesite)	Provides Contractor/Agency Accreditation Form to applicant for accreditation.  Checks completeness of documents submitted by Applicant based on list per Annex A.  Reviews documents submitted especially the validity of the Certificate of Registrations from DOLE and substantial capitalization based on the audited financial statements.	 <b>Contractor Accreditation Form (Refer to Annex A)</b>
	Finance (Makati) and/or Admin (Minesite) and Audit	Within two (2) working days upon receipt of the application with complete supporting documents, conducts inspection/survey of the applicant's offices, equipment, operations and manpower resources.	
	Finance (Makati)	As necessary, recommends pre-qualified applicant to Legal for credit investigation.	
1.2	Legal	Engages a competent credit investigation person/entity to verify credit standing of the applicant.  Submits results of credit investigation to Finance/Admin for final evaluation.	
1.3	Finance (Makati) and/or Admin (Minesite)	Within three (3) working days after the verification inspections and results of credit investigation, submits the results of the evaluation and inspections to concerned department heads for approval.  Note: The Results of Evaluation Form shall be accomplished in triplicate. Distribution as follows: <ul style="list-style-type: none"> <li>• MMDC President – 1 copy</li> <li>• VP Operations/Process owner – 1 copy</li> <li>• Finance – 1 copy</li> </ul>	 <b>Contractor Evaluation Form</b>

## 2.0 Approval of Application for Accreditation

	Responsible Personnel	Procedure	Document
2.1	VP Operations / Process Owner	Reviews recommendation of Finance.  If approve, confirms accreditation by signing on the "CONFORME" portion of the Contractor Evaluation Report Form. Go to Step 3.1  If with further questions/disapprove, returns the report to Finance to address the queries and other concerns.	 <b>Contractor Evaluation Report Form</b>
2.2	Finance/ Admin	If with further questions from VPO/Process owner, coordinates with applicant to resolve the concern.  Reverts to VPO/Process Owner once the concern is resolve. Recommends application for approval. Go to Step 2.1  If disapprove, informs applicant of the disapproval and returns all documents submitted	

### END OF PROCEDURE

## 3.0 Preparation of Service Agreement

	Responsible Personnel	Procedure	Document
3.1	Finance/ Admin	Submits Application Form and Results of Evaluation Form to Legal for the preparation of the Service Agreement.	
	Legal	Forwards draft Service Agreement to VPO/Process Owner for signature and proper guidance.	
3.2	VPO/Process Owner	Reviews and recommends Service Agreement to President for signature.	

### END OF PROCEDURE

## IX. APPENDIX

### Minimum Documentary Requirements:

- a. For Contractors & Service Providers
  1. SEC Registration
  2. Articles of Incorporation
  3. Registration of Business Name
  4. SSS Membership Certification
  5. DOLE Accreditation
  6. Business Permit (latest)
  7. TIN/VAT Registration Certificate
  8. Audited Financial Statement (3yrs)
  9. Company Profile
  10. Organizational Chart
  11. List of Key Personnel w/ resume
  12. List of Plants & Equipment
  13. Office/Plant location map/sketch
  14. Track record (completed projects)
  15. Samples of Sales Invoice and OR (photocopy)
- b. Letter of Proposal
- c. For Contractors of Buildings, Roads and Bridges - Detailed Unit Price Analysis, Work Schedule, Construction Design
- d. For Ship Owners/ LCT Barge Operators
  1. Certificate of Public Convenience
  2. Missionary Route Operator Status as approved by Marina
  3. Copy of Marina Accreditation Certificate if necessary
  4. Vessel Certification and Compliance
  5. Protection & Indemnity Insurance
    - Additional Requirements for Contractors & Service Providers
    - Letter of Proposal





**Marcventures Mining and Development Corporation**  
 Sitio Ban Ban, Brgy. Panikihan, Cantilan  
 Surigao Del Sur

MMDC Form No.: 002


## CONTRACTOR EVALUATION FORM

Contractor's Information		
Name of Contractor:		
REGISTERED ADDRESS:		
TIN REG. NO.		
DTI/SEC REG. NO.	TELEPHONE NO.	
Business Reg. No.	E-MAIL ADDRESS	
ISO Certificate No.	CONTACT PERSON	
Type of Business		
<input type="checkbox"/> Contractor (Hauling/Loading) <input type="checkbox"/> Security Service <input type="checkbox"/> Manpower/Agency <input type="checkbox"/> Vendor/Supplier		
<input type="checkbox"/> Ship Owner / LCT Operator <input type="checkbox"/> OTHERS, PLEASE SPECIFY :		
Submitted Documents		
<input type="checkbox"/> Blank copy of Original Sales Invoice.		
<input type="checkbox"/> Notarized List of Owned Tools, Equipment Machines and vehicle with copy of OR/CR.		
<input type="checkbox"/> Letter of Intent		
<input type="checkbox"/> Office Plant and Warehouse Location Map and Photos		
<input type="checkbox"/> Table of Organizational / Function Chart		
<input type="checkbox"/> Company Profile		
Certified true copy of the following		
<input type="checkbox"/> Business permit for the year		
<input type="checkbox"/> ITR (BIR Form 1702) – Previous Year		
<input type="checkbox"/> Audited Financial Statement for the last 2 years (BIR Stamped / Received)		
<input type="checkbox"/> Certificate of Registration form		
<input type="checkbox"/> Department of Trade and Industry (DTI) for sole Proprietorship.		
<input type="checkbox"/> Securities and Exchange Commission (SEC for Partnership and Corporation.		
<input type="checkbox"/> By-Laws and Articles of Partnership of Incorporation and General Information Sheet.		
<input type="checkbox"/> BIR Certificate of Registration for Vat (BIR Form 2303).		
<input type="checkbox"/> Certificate of Good Credit standing from last one active major bank (Bank Certificate).		
<input type="checkbox"/> Tax Clearance (BIR Form 17.14B).		
Result of Evaluation (Provide extra sheet if necessary):		
Approval		
Evaluated by:	Recommended by:	Approved by:
_____	_____	_____
Signature over Printed Name	Signature over Printed Name	Signature over Printed Name



<b>Marcventures Mining and Development Corporation</b>	
<b>Accreditation Policy</b>	Reference: AC-MOP-002
Manual of Operations	Page 12 of 12

**APPROVED BY:**

  
\_\_\_\_\_  
**ENGR. ARSENIO K. SEBIAL, JR.**  
PRESIDENT - MMDC  
\_\_\_\_\_  
**MR. ISIDRO C. ALCANTARA, JR.**  
PRESIDENT - MHI