

SECURITIES AND EXCHANGE COMMISSION
SEC FORM - I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended
Dec 31, 2022
2. SEC Identification Number
167423
3. BIR Tax Identification Number
000-477-103
4. Exact name of issuer as specified in its charter
MEGAWORLD CORPORATION
5. Province, country or other jurisdiction of incorporation
Metro Manila, Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
30th Floor, Alliance Global Tower, 36th Street cor. 11th Avenue, Uptown Bonifacio,
Taguig City
Postal Code
1634
8. Issuer's telephone number, including area code
(632) 8894-6300/6400
9. Former name, former address, and former fiscal year, if changed since last report
N/A

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Megaworld Corporation

MEG

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

Attached is the Integrated Annual Corporate Governance Report (SEC Form I-ACGR) of MEGAWORLD CORPORATION for the year 2022.

Filed on behalf by:

Name	Anna Michelle Llovido
Designation	Corporate Secretary



SEC FORM – I-ACGR

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MEGAWORLD CORPORATION
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Province, Country or other jurisdiction of
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36th Street corner 11th Avenue, Uptown Bonifacio
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INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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The Board's Governance Responsibilities

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

Recommendation 1.1

1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	As indicated in Megaworld Corporation's (the "Company") Manual on Corporate Governance, the Board shall be composed of directors with a collective working knowledge, experience or expertise that is relevant to the Company's industry. It was further mentioned that the Board shall ensure that it has an appropriate mix of competence and expertise and that its members remain qualified for their positions, individually and collectively, to enable it to fulfill its roles and responsibilities and respond to the needs of the organization based on the evolving business environment and strategic direction.	
2. Board has an appropriate mix of competence and expertise.	Compliant		
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant	<p>The Company's Manual of Corporate Governance also provides for qualifications of directors, in addition to the qualifications prescribed in the Revised Corporation Code, the Securities Regulation Code, and other relevant laws, as follows:</p> <ul style="list-style-type: none"> (a) a college degree; (b) business experience; (c) practical understanding of the business of the Company; (d) working knowledge, experience or expertise relevant to the Company's industry; (e) membership in good standing in a relevant industry, business or professional organization; and <p>or</p>	

	<p>(f) record of integrity and good repute.</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.3 and 3.2.4, p. 5 and 6 https://www.megaworldcorp.com/investors/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p> <p>A reading of the profiles of each of the members of the Board would show that the current Board of the Company is composed of directors with a collective working knowledge , experience or expertise that is relevant to the Company's industry and that it has an appropriate mix of competence and expertise.</p> <p>2022 Annual Report, p. 51 to 53 https://www.megaworldcorp.com/investors/annual-report-2022</p> <p>The Company has a Corporate Governance Committee, comprised of at least 3 members, two (2) of whom are independent directors, including the Chairman, who determines the nomination and election process for the Company's directors and the general profile of board members that the Company may need to ensure that appropriate knowledge, competencies and expertise complement the existing skills of the Board.</p> <p>The Company also updates its directors with current trends and relevant training by allocating an annual training budget for its directors and officers to attend continuing professional development programs and other applicable courses, conferences, and seminars.</p> <p>The Company requires new directors to complete an orientation program on the Corporation's business and structure, vision and mission, business strategy, Governance Codes and Policies, Articles, By-Laws, Manual on Corporate Governance, Board and</p>	
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		<p>Committee Charters, SEC-mandated governance topics, and other subjects necessary for the improving their duties and responsibilities. These programs allow the directors to continually enhance their knowledge and skills in creating better strategic solutions for the Company.</p> <p>Amended General Information Statement for 2022 https://www.megaworldcorp.com/investors/gis-2022-amended</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.3, p. 6 https://www.megaworldcorp.com/investors/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	
Recommendation 1.2			
<p>1. Board is composed of a majority of non-executive directors.</p>	<p>Compliant</p>	<p>The Board membership includes executive and nonexecutive directors to prevent any directors or small group of directors from dominating the decision making process. Out of seven directors, only one director is an executive director – Mr. Kingson U. Sian.</p> <p>2022 Annual Report, p. 50 https://www.megaworldcorp.com/investors/annual-report-2022</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.2, p. 6 https://www.megaworldcorp.com/investors/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	

Recommendation 1.3			
<p>1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.</p>	<p>Compliant</p>	<p>The Company updates its directors with current trends and relevant training by allocating an annual training budget for its Directors and officers to attend continuing professional development programs and other applicable courses, conferences, and seminars. These programs allow the directors to continually enhance their knowledge and skills in creating better strategic solutions for the Company.</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.6, p. 9 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	
<p>2. Company has an orientation program for first time directors.</p>	<p>Compliant</p>	<p>The Company requires new directors to complete an orientation program on the Company's business and structure, vision and mission, business strategy, Manual on Corporate Governance and Policies, Articles, By-Laws, Corporate Governance Manual, Board and Committee Charters, SEC-mandated governance topics, and other subjects necessary for the improving their duties and responsibilities.</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.1, p.3 and Item 3.2.12, p. 21 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	

<p>3. Company has relevant annual continuing training for all directors.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.6, p. 9 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p> <p>The Company holds relevant annual continuing training for all directors to promote effective board performance and continuing qualification of the directors in carrying out their duties and responsibilities. In 2022, the Company held a Corporate Governance Training seminar for its directors and key officers. The seminar was facilitated by the Center for Training and Development Inc.</p> <p>Certificates of Completion of 2022 Corporate Governance Seminar https://www.megaworldcorp.com/investors/cg-seminar-certificate-attendance</p>	
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Recommendation 1.4

1. Board has a policy on board diversity.	Compliant	<p>The Board membership includes executive and nonexecutive directors to prevent any directors or small group of directors from dominating the decision making process. However, the non-executive directors need the qualifications and stature to participate effectively in the deliberations of the Board.</p> <p>To the extent possible, the Company tries to encourage nominees with different backgrounds, different genders, and from different sectors.</p> <p>As of December 31, 2022, the Board is composed of six (6) male directors and one (1) female director, to wit:</p> <ul style="list-style-type: none"> ● Andrew L. Tan ● Katherine L. Tan ● Kingson U. Sian ● Enrique Santos L. Sy ● Cresencio P. Aquino ● Alejo L. Villanueva, Jr. ● Jesus B. Varela <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.2, p. 4 to 6 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	
Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.			
Recommendation 1.5			

1. Board is assisted by a Corporate Secretary.	Compliant	The Board is assisted by a Corporate Secretary, Atty. Anna Michelle T. Llovido. The Corporate Secretary is not a member of the Board of Directors and is a separate individual from the Compliance Officer.	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant	Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.3, p. 22 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf	
3. Corporate Secretary is not a member of the Board of Directors.	Compliant	Company's Website https://www.megaworldcorp.com/investors/company/management-team-and-executive-officers Amended General Information Statement for 2022 https://www.megaworldcorp.com/investors/gis-2022-amended	
4. Corporate Secretary attends training/s on corporate governance.	Compliant	In 2022, the Company held a Corporate Governance Training seminar for its directors and key officers, including its Corporate Secretary. The seminar was facilitated by the Center for Training and Development Inc. Certificates of Completion of 2022 Corporate Governance Seminar https://www.megaworldcorp.com/investors/cg-seminar-certificate-attendance	
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.			
Recommendation 1.6			

1. Board is assisted by a Compliance Officer.	Compliant	<p>For calendar year 2022, the Board was assisted by a Compliance Officer, Mr. Francisco C. Canuto. The Compliance Officer has a rank of at least a Senior Vice President or an equivalent position with adequate stature and authority in the Company. The Compliance Officer is not a member of the Board of Directors and annually attends a training on corporate governance.</p> <p>Manual on Corporate Governance, revised as of May 31, 2017, Item 3.1, p. 3 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant	<p>Amended General Information Statement for 2022 https://www.megaworldcorp.com/investors/gis-2022-amended</p>	
2. Compliance Officer is not a member of the board.	Compliant		
3. Compliance Officer attends training/s on corporate governance.	Compliant	<p>In 2022, the Company held a Corporate Governance Training seminar for its directors and key officers, including its Compliance Officer. The seminar was facilitated by the Center for Training and Development Inc.</p> <p>Certificates of Completion of 2022 Corporate Governance Seminar https://www.megaworldcorp.com/investors/cg-seminar-certificate-attendance</p>	

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

Recommendation 2.1

<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>The Board acts on a fully-informed basis, in good faith, with due diligence and care and in a manner consistent with its corporate objectives and the long-term best interests of its stockholders and other stakeholders.</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.5, p. 8 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	
<p>Recommendation 2.2</p>			
<p>1. Board oversees the development, review and approval of the company's business objectives and strategy.</p>	<p>Compliant</p>	<p>The Board oversees the development of and approves the Company's business objectives and strategy and monitors the implementation thereof, in order to sustain long-term viability and strength.</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.5, p. 8 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	
<p>2. Board oversees and monitors the implementation of the company's business objectives and strategy.</p>	<p>Compliant</p>	<p>https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	
<p>Supplement to Recommendation 2.2</p>			

<p>1. Board has a clearly defined and updated vision, mission and core values.</p>	<p>Compliant</p>	<p>The Company has the following vision and mission which can be accessed at: https://www.megaworldcorp.com/home/our-company/mission-vision-and-values/ as follows:</p> <p><u>Vision Statement</u> We uplift lives, impact society and help shape the nation.</p> <p><u>Mission Statement</u></p> <ul style="list-style-type: none"> ● We pioneer concepts that promote integrated lifestyles in the townships we build. ● We advocate responsible stewardship of the environment. ● We deliver long-term value for our employees and shareholders. ● We spur economic growth all over the country. <p><u>Values</u></p> <ul style="list-style-type: none"> ● Integrity ● Creativity and Innovation ● Excellence ● Love for the company 	
<p>2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.5, p. 8 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	

Recommendation 2.3

1. Board is headed by a competent and qualified Chairperson.	Compliant	<p>The Board is headed by a competent and qualified Chairperson, Mr. Andrew L. Tan. A background on his qualifications and experience is found in the Annual Report.</p> <p>2022 Annual Report, p. 51 https://www.megaworldcorp.com/investors/annual-report-2022</p>	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	<p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.6, p. 9 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant	<p>2022 Annual Report, p. 58 https://www.megaworldcorp.com/investors/annual-report-2022</p>	
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	<p>The Company follows the guideline that the levels of remuneration of the Company should be sufficient to be able to attract and retain the services of qualified and competent directors and officers. A portion of the remuneration of executive directors may be structured or be based on corporate and individual performance. The Board aligns the remuneration of key officers and board members with the long-term interests of the Company.</p> <p>The Company may establish formal and transparent procedures for the development of a policy on executive remuneration or determination of remuneration levels for individual directors and officers</p>	

2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant	<p>depending on the particular needs of the Company. No director should participate in deciding on his remuneration.</p> <p>The Corporate Governance Committee is in charge of establishing a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the Company's culture and strategy as well as the business environment in which it operates.</p>	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	<p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.10, p. 13 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p> <p>2022 Annual Report, p. 58 to 59 https://www.megaworldcorp.com/investors/annual-report-2022</p>	
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.			
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.			
Recommendation 2.6			

<p>1. Board has a formal and transparent board nomination and election policy.</p>	<p>Compliant</p>	<p>The Directors are elected annually by the stockholders at the annual stockholders' meeting to serve until the election and qualification of their successors. The Corporate Governance Committee determines the nomination and election process for the Company's directors and the general profile of board members that the Company may need to ensure that appropriate knowledge, competencies and expertise that complement the existing skills of the Board. The list of nominees are submitted to the Corporate Governance Committee and it reviews, evaluates, pre-screens and shortlists all candidates nominated to become a member of the Board of Directors and other appointments requiring Board approval to ensure that candidates possess all the required qualifications.</p> <p>On the other hand, the nomination and selection process for Independent Directors is as follows:</p> <ol style="list-style-type: none"> 1. Nomination of independent directors shall be conducted by a committee prior to a stockholders' meeting. All recommendations shall be signed by nominating stockholders and shall bear the conformity of the nominees. 2. The Corporate Governance Committee shall pre-screen the nominees and prepare a final list of candidates. 3. The final list of candidates shall be made available to the Securities and Exchange Commission and to all stockholders through the filing and distribution of the Information Statement, in accordance with SRC Rule 20, or in such other reports the Company is required to submit to the sec. The name of the person or group of persons who recommended the nominees for independent directors shall be identified in such report including any 	
<p>2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.</p>	<p>Compliant</p>		
<p>3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.</p>	<p>Compliant</p>		

4. Board nomination and election policy includes how the board shortlists candidates.	Compliant	relationship to the nominees. Manual on Corporate Governance, revised as of May 31, 2017, Item 3.2.11.1, p. 14 to 16	
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	https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant	2022 Definitive Information Statement, p. 10 to 11 https://www.megaworldcorp.com/investors/definitive-information-statement-2022	
Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.			
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	The Company has adopted a group-wide Material Related Party Transactions Policy encompassing all entities within the conglomerate, taking into account its size, structure, risk profile and complexity of operations. It provides a mechanism for the identification, review, approval and reporting of related party transactions, and the determination, monitoring and management of Material RPT in compliance with the Material Related Party Transactions Rules mandated in Securities and Exchange Commission Circular No. 10-2019. Through this Policy, the Company, its subsidiaries and associates endeavor to enhance transparency in its transactions	

<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>and promote the best interest of its shareholders and other stakeholders.</p> <p>Related Party Transactions Policy https://www.megaworldcorp.com/investors/related-party-transactions-policy</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.11.4, p. 19 to 20 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</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>2022 Annual Report, p. 61 and Note 2.23, Page 38 of the Audited Financial Statements https://www.megaworldcorp.com/investors/annual-report-2022</p> <p>2022 Definitive Information Statement, p. 12 to 13 https://www.megaworldcorp.com/investors/definitive-information-statement-2022</p>	
<p>Supplement to Recommendations 2.7</p>			
<p>1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.</p>	<p>Compliant</p>	<p>Related Party Transactions Policy https://www.megaworldcorp.com/investors/related-party-transactions-policy</p>	

<p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p>	<p>Compliant</p>	<p>The Board has the responsibility to establish a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p> <p>The Company states the related party transactions in its Annual Report, Audited Financial Statements, and Definitive Information Statement, which are presented to all the stockholders for approval during the annual meeting.</p>	
Recommendation 2.8			
<p>1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>Compliant</p>	<p>The Company's Revised Manual on Corporate Governance p. 9, found at https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf contains the Board's policy and responsibility for approving the selection of management officers.</p> <p>The management team appointed during the Organizational Meeting of the Board of Directors held on June 17, 2022 are:</p> <ul style="list-style-type: none"> Andrew L. Tan – Chairman, President and CEO Lourdes T. Gutierrez-Alfonso – Chief Operating Officer Kevin Andrew L. Tan – Executive Vice President and Chief Strategy Officer Kingson U. Sian – Executive Director Francisco C. Canuto – Senior Vice President, Chief Finance Officer, Treasurer, Compliance Officer, Corporate Information Officer and Chief Audit Executive Noli D. Hernandez – Executive Vice President for Sales and Marketing Giovanni C. Ng – Senior Vice President and Finance Director 	

		<p>Maria Victoria M. Acosta – Senior Vice President for International Marketing and Leasing</p> <p>Maria Carla T. Uykim – Head of Corporate Advisory and Compliance</p> <p>Rafael Antonio S. Perez – Head of Human Resources and Corporate Admin.</p> <p>Graham M. Coates – Head of Megaworld Lifestyle Malls</p> <p>Jennifer L. Romualdez – Head for Operations Division</p> <p>Kimberly Hazel A. Sta. Maria – Assistant Vice President for Corporate Communications and Advertising</p> <p>Cheryll B. Sereno – Chief Risk Officer (resigned in January 2023)</p> <p>Anna Michelle T. Llovido – Corporate Secretary</p> <p>Nelileen S. Baxa – Assistant Corporate Secretary</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>	<p>Compliant</p>	<p>The Board periodically assesses Management's overall performance based on established performance standards that are consistent with the Company's strategic objectives.</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.5, p. 9</p> <p>https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	

Recommendation 2.9

1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	Compliant	The Board shall periodically evaluate and monitor the implementation of such policies and strategies, including the business plans and operating budgets and monitor and assess the Management's overall performance based on established performance standards that are consistent with the Corporation's strategic objectives.	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant	Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.5, p. 9 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf	

Recommendation 2.10

<p>1. Board oversees that an appropriate internal control system is in place.</p>	<p>Compliant</p>	<p>As indicated in the Company's Manual on Corporate Governance, the control environment of the Company consists, among others, of the Board which ensures that the Company is properly and effectively managed and supervised. Furthermore, the Board is mandated to adopt internal control mechanisms for the performance of its oversight responsibility. In this regard, one of the responsibilities of the Company's Audit Committee is to assist the Board in the performance of its oversight responsibility for the Company's system of internal control, and to monitor and evaluate the adequacy and effectiveness of the Company's internal control system.</p> <p>The directors are required by the Company to conduct fair business transactions with the Company, and ensure that each one's personal interest does not conflict with the interests of the Company. The basic principle to be observed is that a director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process. A director who has a continuing material conflict of interest should seriously consider resigning from his position. A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the Company, or stands to acquire or gain financial advantage at the expense of the Company.</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>The 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>	

		<p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.8, p. 10, p. 12 to 13 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	
3. Board approves the Internal Audit Charter.	Compliant	<p>The Company's Internal Audit Charter was approved by the Board in January 2018.</p> <p>Company Website – Internal Audit Charter: https://www.megaworldcorp.com/investors/corporate-governance/meg-internal-audit-charter</p>	
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	<p>The Board Risk Oversight Committee shall be responsible for the oversight of the Company's Enterprise Risk Management system to ensure its functionality and effectiveness.</p> <p>The Company shall proactively manage its perceived risks by continuously identifying, mitigating or controlling and monitoring serious risks in collaboration with key risk owners, critical support units and, if necessary, with proper external entities.</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.6, p. 10; Item, 3.2.8, p.12; and Item 3.2.11.2, p. 16 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	

<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.</p>	<p>Compliant</p>	<p>Company Website – Enterprise Risk Management: https://www.megaworldcorp.com/investors/investors/corporate-governance/enterprise-risk-management</p>	
<p>Recommendation 2.12</p>			
<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>The Manual on Corporate Governance, Revised as of 31 May 2017 formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role and serves as a guide to the directors in the performance of their functions. It is publicly available and posted on the company's website: https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	
<p>2. Board Charter serves as a guide to the directors in the performance of their functions.</p>	<p>Compliant</p>		
<p>3. Board Charter is publicly available and posted on the company's website.</p>	<p>Compliant</p>		

Additional Recommendation to Principle 2

<p>1. Board has a clear insider trading policy</p>	<p>Compliant</p>	<p>The Board has a clear insider trading policy</p> <p>Company Website - Insider Trading Policy: https://www.megaworldcorp.com/investors/corporate-governance/companies-policies</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, p. 12 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	
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Optional: Principle 2

<p>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.</p>			
<p>2. Company discloses the types of decision requiring board of directors' approval.</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>The Board establishes board committees, as it may deem necessary, that focus on specific board functions to aid in the optimal performance of its roles and responsibilities. The Company has five (5) committees – the Executive Committee, the Corporate Governance Committee, Board Risk Oversight Committee, Audit Committee, and Related Party Transactions Committee.</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.11, p. 10 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p> <p>Board Committees: https://www.megaworldcorp.com/investors/investors/corporate-governance/board-committees</p>	
Recommendation 3.2			
<p>1. Board establishes an Audit Committee to enhance its oversight capability over the company’s financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.</p>	<p>Compliant</p>	<p>The Audit Committee shall have 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>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.11.3, p. 18 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p> <p>Audit Committee Charter https://www.megaworldcorp.com/investors/corporate-governance/megaworld-audit-committee-charter</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>The Audit Committee is composed of three (3) members, two (2) of whom are independent directors, including the Chairman. At least one of the members has audit experience.</p> <p>Audit Committee Members:</p> <ul style="list-style-type: none"> - Jesus B. Varela (Independent Director) – Chairman - Cresencio P. Aquino (Independent Director) - Member - Alejo L. Villanueva, Jr. (Independent Director) - Member <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.11.3, p. 17 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p> <p>2022 Annual Report, p. 52 to 53 https://www.megaworldcorp.com/investors/annual-report-2022</p> <p>Amended General Information Statement for 2022 https://www.megaworldcorp.com/investors/gis-2022-amended</p>	
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<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	<p>Compliant</p>	<p>All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p> <p>2022 Annual Report, p. 52 to 53 https://www.megaworldcorp.com/investors/annual-report-2022</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.11.3, p. 17 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p> <p>Audit Committee Charter, p. 1 https://www.megaworldcorp.com/investors/corporate-governance/megaworld-audit-committee-charter</p>	
<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	<p>Non-Compliant</p>		<p>Although the Chairman of the Audit Committee is likewise the chairman of the Corporate Governance Committee, he is an Independent Director which ensures his independence from management. He is also able to manage his time despite the multiple chairmanships.</p>

Supplement to Recommendation 3.2

<p>1. Audit Committee approves all non-audit services conducted by the external auditor.</p>	<p>Compliant</p>	<p>The Audit Committee evaluates and approves non-audit work by external auditor, including the fees payable therefor.</p> <p>Audit Committee Charter, p. 4 https://www.megaworldcorp.com/investors/corporate-governance/megaworld-audit-committee-charter</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.11.3, p. 19 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	
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2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	<p>The Audit Committee reviews with management and external auditors the results of the audit, including any difficulties encountered and other issues warranting the attention of the Committee, and resolve any disagreements between management and the external auditors regarding financial reporting. Meetings are held in accordance with the results of the review. The Audit Committee met with the external auditors and management on February 24, 2022 for the audit results of Fiscal Year 2022.</p> <p>Audit Committee Charter, p. 1 https://www.megaworldcorp.com/investors/corporate-governance/megaworld-audit-committee-charter</p>	
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.			
2. Audit Committee approves the appointment and removal of the internal auditor.			
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	<p>The Corporate Governance Committee is tasked to assist the Board in the performance of its corporate governance responsibilities.</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.11.1, p. 14 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p> <p>Corporate Governance Committee Charter, p. 1 https://www.megaworldcorp.com/investors/investors/corporate-governance-committee-charter</p>	

<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	<p>Compliant</p>	<p>Under the Manual on Corporate Governance, the Corporate Governance Committee shall be composed of three (3) members, two (2) of whom are independent directors, including the Chairman.</p> <p>Following are the current members of the Corporate Governance Committee, all of whom are independent directors:</p> <ul style="list-style-type: none"> - Jesus B. Varela (Independent Director) - Chairman - Alejo L. Villanueva, Jr. (Independent Director) - Member - Cresencio P. Aquino (Independent Director) - Member <p>Amended General Information Statement for 2022 https://www.megaworldcorp.com/investors/gis-2022-amended</p> <p>Corporate Governance Committee Charter, p. 1 https://www.megaworldcorp.com/investors/investors/corporate-governance-committee-charter</p>	
<p>3. Chairman of the Corporate Governance Committee is an independent director.</p>	<p>Compliant</p>	<p>The Chairman of the Corporate Governance Committee, Jesus B. Varela, is an independent director.</p> <p>Amended General Information Statement for 2022 https://www.megaworldcorp.com/investors/gis-2022-amended</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.11.1, p. 14 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	

Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.			
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	<p>The Board Risk Oversight Committee shall be responsible for the oversight of the Company's Enterprise Risk Management system to ensure its functionality and effectiveness.</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.11.2, p. 16 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p> <p>Board Risk Oversight Committee Charter, p. 1 https://www.megaworldcorp.com/investors/investors/board-risk-oversight-committee-charter</p>	

<p>2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p>	<p>Compliant</p>	<p>The Board Risk Oversight Committee is composed of three (3) members, two (2) of whom are independent directors, including the Chairman.</p> <p>Board Risk Oversight Members – Cresencio P. Aquino (Independent Director) – Chairman – Alejo L. Villanueva, Jr. (Independent Director) - Member – Enrique Santos L. Sy - Member</p> <p>Board Risk Oversight Committee Charter, p.1 https://www.megaworldcorp.com/investors/investors/board-risk-oversight-committee-charter</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, p. 16 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p> <p>Amended General Information Statement for 2022 https://www.megaworldcorp.com/investors/gis-2022-amended</p>	
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<p>3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.</p>	<p>Compliant</p>	<p>The Chairman of the BROC, Cresencio P. Aquino, is not the Chairman of the Board or of any other committee.</p> <p>Amended General Information Statement for 2022 https://www.megaworldcorp.com/investors/gis-2022-amended</p> <p>Board Risk Oversight Committee Charter, p. 1 https://www.megaworldcorp.com/investors/investors/board-risk-oversight-committee-charter</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, p. 16 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	
<p>4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.</p>	<p>Compliant</p>	<p>At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.</p> <p>2022 Annual Report, p. 52 to 53 https://www.megaworldcorp.com/investors/annual-report-2022</p>	

Recommendation 3.5			
<p>1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.</p>	<p>Compliant</p>	<p>The Related Party Transactions Committee shall be tasked with reviewing all material related party transactions of the Company.</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.11.4, p. 19 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p> <p>Related Party Transactions Committee Charter, p. 1 https://www.megaworldcorp.com/investors/investors/related-party-transaction-committee-charter</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>Compliant</p>	<p>The Related Party Transaction Committee is composed of three (3) members, two (2) of whom are independent directors, including the Chairman.</p> <p>Related Party Transaction Members</p> <ul style="list-style-type: none"> - Alejo L. Villanueva, Jr. (Independent Director) - Chairman - Cresencio P. Aquino (Independent Director) - Member - Enrique Santos L. Sy - Member <p>Amended General Information Statement for 2022 https://www.megaworldcorp.com/investors/gis-2022-amended</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.11.4, p. 19 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	

		<p>Related Party Transactions Committee Charter, p. 1 https://www.megaworldcorp.com/investors/investors/related-party-transaction-committee-charter</p>	
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Recommendation 3.6

1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	<p>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>The Committee Charters provide standards for evaluating the performance of the Committees.</p> <p>The Committee Charters are fully disclosed on the company's website at https://www.megaworldcorp.com/investors/investors/corporate-governance/board-committee-charter</p>	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant		
3. Committee Charters were fully disclosed on the company's website.	Compliant		

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

Recommendation 4.1

<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>The Company conducts scheduled monthly and special Board meetings, if necessary. In 2022, the Board convened 15 times. All directors had perfect attendance.</p> <p>Disclosure on Certificate of Attendance of Directors in Meetings of the Board for 2022 https://edge.pse.com.ph/openDiscViewer.do?edge_no=0b16c7c543bcf5929e4dc6f6c9b65995</p> <p>According to the Revised Manual on Corporate Governance and Amended By-Laws, the members of the Board, including Independent Directors, must attend all its regular and special meetings in person or through teleconferencing, if applicable, conducted by the rules and regulations of the Commission. Exceptions to this policy would be justifiable in cases such as illness, death in the immediate family, and serious accidents preventing the person from doing so. However, the absence of Independent Directors shall not affect the quorum requirement. To protect the funds of a company, the Securities and Exchange Commission may, in exceptional cases, e.g., when a company is under receivership or rehabilitation, regulate the payment of the compensation, allowances, fees and fringe benefits to its directors and officers.</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.9, p. 13 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p> <p>Amended By-Laws, Article II, Section 3 https://www.megaworldcorp.com/investors/investors/amended-laws-november-18-2020</p>	
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<p>2. The directors review meeting materials for all Board and Committee meetings.</p>	<p>Compliant</p>	<p>In Board and Committee meetings, directors are expected to have reviewed meeting materials.</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.7, p. 11 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	
<p>3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.</p>	<p>Compliant</p>	<p>If called for, directors are encouraged to ask the necessary questions or seek clarifications or explanations in Board and Committee meetings.</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.7, p. 11 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	
<p>Recommendation 4.2</p>			
<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>Mr. Kingson U. Sian, the lone non-executive director of the Company is concurrently Director, President and Chief Operating Officer of publicly-listed Alliance Global Group, Inc. and Travellers International Hotel Group, Inc.</p> <p>2022 Annual Report, p. 51 to 52 https://www.megaworldcorp.com/investors/annual-report-2022</p>	

Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	Compliant	<p>A director shall notify the Board where he/she is an incumbent director before accepting a directorship in another company for the Company to be able to assess if his/her responsibilities and commitment to the Company will be affected.</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.13, p. 22 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	
Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.			
2. Company schedules board of directors' meetings before the start of the financial year.			
3. Board of directors meet at least six times during the year.	Compliant	<p>The Board of Directors had a total of 15 meetings in 2022.</p> <p>Disclosure on Certificate of Attendance of Directors in Meetings of the Board for 2022 https://edge.pse.com.ph/openDiscViewer.do?edge_no=0b16c7c543bcf5929e4dc6f6c9b65995</p>	

<p>4. Company requires as minimum quorum of at least 2/3 for board decisions.</p>	<p>Compliant</p>	<p>As shown by the Director's attendance, the minimum quorum of at least 2/3 has been achieved in the 2022 Board Meetings.</p> <p>Disclosure on Certificate of Attendance of Directors in Meetings of the Board for 2022 https://edge.pse.com.ph/openDiscViewer.do?edge_no=0b16c7c543bcf5929e4dc6f6c9b65995</p>	
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Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs

Recommendation 5.1

<p>1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.</p>	<p>Compliant</p>	<p>At present, the Board is composed of three (3) independent directors:</p> <ul style="list-style-type: none"> ● Jesus B. Varela ● Crescencio P. Aquino ● Alejo L. Villanueva, Jr. <p>2022 Annual Report, p. 52 to 53 https://www.megaworldcorp.com/investors/annual-report-2022</p> <p>Amended General Information Statement for 2022 https://www.megaworldcorp.com/investors/gis-2022-amended</p>	
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Recommendation 5.2

<p>1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.</p>	<p>Compliant</p>	<p>The independent directors possess all the qualifications and none of the disqualifications to hold the positions.</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.2, p. 4 to 5 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p> <p>2022 Annual Report, p. 52 to 53 https://www.megaworldcorp.com/investors/annual-report-2022</p>	
Supplement to Recommendation 5.2			
<p>1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.</p>	<p>Compliant</p>	<p>The Board endeavors to exercise an objective and independent judgment on all corporate affairs. As such, the Company has no shareholder agreements, by-laws provisions or other arrangements that constrain the directors' ability to vote independently.</p> <p>Per Company's Code of Business Conduct and Ethics found at https://www.megaworldcorp.com/investors/investors/corporate-governance/code-business-conduct-ethics, a director should not use his position to profit or gain some benefit or advantage for himself and/or his related interest. If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process.</p>	

Recommendation 5.3

<p>1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).</p>	<p>Compliant</p>	<p>None of the current and incumbent Independent Directors of the Company has exceeded the cumulative of nine years, reckoned from 2012, during the period.</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.2, p. 4 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	
<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	<p>Compliant</p>	<p>Independent directors can only serve for a maximum cumulative term of nine years. After then, the independent director should be permanently excluded from reelection, although the director may continue to be nominated and elected as a non-independent director.</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.2, p. 4 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	
<p>3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.</p>	<p>Compliant</p>	<p>Independent directors with nine years of service can be retained if the Board provides a meritorious justification and shareholders' approval during the annual shareholders' meeting, as permitted by the existing SEC rules and regulations.</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.2, p. 4 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	

Recommendation 5.4

<p>1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.</p>	<p>Non -Compliant</p>	<p>The roles of the Company's Chairman and Chief Executive Officer is assumed by Mr. Andrew L. Tan.</p> <p>Amended General Information Statement for 2022 https://www.megaworldcorp.com/investors/gis-2022-amended</p>	<p>The By-laws and Manual on Corporate Governance, Revised as of 31 May 2017, do not require the Company to segregate the functions of the Chairman and CEO. Also, there is a Chief Operating Officer who handles the daily operations in place of the CEO. Even if the positions of Chairman and CEO are held by the same person, the duties and responsibilities of each position are clearly defined to prevent confusion on their functions.</p> <p>Further, conflicts of interest are prevented and mitigated because there is a separate Chief Operating Officer who handles the daily operations in place of the CEO. Even if the chair of the highest governance body is also a senior executive in the organization, the duties and responsibilities of each position are clearly defined to prevent confusion on their functions.</p>
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<p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p>	<p>Compliant</p>	<p>The roles of the Company's Chairman and Chief Executive Officer is assumed by Mr. Andrew L. Tan. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p> <p>As Chairman, he, among others, ensures that the Board sufficiently challenges and inquires on reports submitted and representations made by Management. As Chief Executive Officer, it is among his duties and responsibilities to determine the Company's strategic direction and formulates and implementation of its strategic plan on the direction of the business; oversees the operations of the Company and manages human and financial resources in accordance with the strategic plan; and serves as the link between internal operations and external stakeholders.</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.12, p. 20 to 22 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	
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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>Compliant</p>	<p>The Board should designate a lead director among the independent directors if the Chairman of the Board is not independent, including if the positions of the Chairman of the Board and Chief Executive Officer are held by one person.</p> <p>Jesus B. Varela is the Lead Independent Director of the Board.</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.12, p. 22 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p> <p>Amended General Information Statement for 2022 https://www.megaworldcorp.com/investors/gis-2022-amended</p>	
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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>If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process.</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.7, p. 11 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p> <p>The Related Party Transactions (RPT) Policy of the Company echoes the general policy statement under the Company's Code of Business Conduct and Ethics</p>	
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		<p>that all directors are required to immediately disclose any relationship or association to a proposed supplier or contractor or its authorized representative to avoid conflict of interest. They are prohibited from using their authority or position to profit or gain some benefit or advantage for themselves and/or their related interest.</p> <p>Regardless of the amount of the transaction or contract, each Director is held responsible to fully and promptly notify the Company of any RPT and the personal interest he/she may have on such RPT (directly or indirectly through or on behalf of third parties, spouses or relatives) as soon as he/she becomes aware of the transaction; and to obtain approval from the Board of Directors prior to entering into the transaction.</p> <p>The Director involved shall abstain from discussion, approval and management of such transaction or matter affecting the Company. In case he/she refuses to abstain, his/her attendance and vote shall not be considered for purposes of assessing the quorum and his/her votes shall not be counted for purposes of determining majority approval.</p> <p>Related Party Transactions Policy, Item V. 2, p. 7 to 9 https://www.megaworldcorp.com/investors/sites/investors/files/2019-10/MEG%20-%20Related%20Party%20Transactions%20Policy%20281%29.pdf</p>	
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Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	Compliant	The non-executive directors who are also Independent Directors are part of the Board Committees and have had the required meetings under this provision, but such meetings are held with other executive directors.	
2. The meetings are chaired by the lead independent director.	Compliant		
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.		<p>Apart from Andrew L. Tan, none of the directors are former CEOs of the company in the past two years.</p> <p>General Information Sheets filed for the period 2021 and 2020: https://www.megaworldcorp.com/investors/company-disclosures/general-information-sheet</p>	
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. Board conducts an annual self-assessment of its performance as a whole.	Compliant	<p>The Board conducts an annual self-assessment of its performance, including the performance of the Chairman, individual members and committees. It periodically evaluates and monitors the implementation of such policies and strategies, including the business plans and operating budgets and monitor and assess the Management's overall performance based on established performance standards that are consistent with the Company's strategic objectives.</p> <p>The Corporate Governance Committee takes into consideration the performance of the directors when it reviews, evaluates, pre-screens and shortlists the nominees of candidates to become a member of the Board of</p>	

2. The Chairman conducts a self-assessment of his performance.	Compliant	Directors and other appointments requiring Board approval. The performance results are collated from the most recently concluded self-assessment of the Board.	
3. The individual members conduct a self-assessment of their performance.	Compliant	Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.6, p. 9 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf	
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		The Company has not yet engaged a third party auditor to conduct the assessment.
Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	The Board conducts an annual self-assessment of its performance, including the performance of the Chairman, individual members and committees. Manual on Corporate Governance, Revised as of 31 May 2017, Items 3.2.5 and 3.2.6, p. 9 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf	

<p>2. The system allows for a feedback mechanism from the shareholders.</p>	<p>Compliant</p>	<p>The Company believes close engagement with its stakeholders is key to sustaining its long-term growth. With this in mind, Megaworld undertakes various initiatives to understand and address issues and concerns, gather feedback on the effectiveness of its solutions, and build and maintain strong relationships for long-term value creation. Some of the feedback mechanisms already in place by the Company are the following:</p> <ol style="list-style-type: none"> 1. Open Forum during the Annual Stockholders' Meetings; and 2. Investor Relations Office where the contact information of the Investor Relations Director is indicated in the company website. <p>Manual on Corporate Governance, Revised as of 31 May 2017, Items 3.2.5 and 3.2.6, p. 8 9 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	
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Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

Recommendation 7.1

<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 and practices in internal and external dealings of the company.</p>	<p>Compliant</p>	<p>The Company has a Code of Business Conduct and Ethics.</p>	
<p>2. The Code is properly disseminated to the Board, senior management and employees.</p>	<p>Compliant</p>	<p>Copies of the Code of Business Conduct and Ethics are disseminated to the Board, all senior management and employees thru the Company's Compliant Officer and by posting in its corporate website at https://www.megaworldcorp.com/investors/investors/corporate-governance/code-business-conduct-ethics</p>	

3. The Code is disclosed and made available to the public through the company website.	Compliant	The Code of Business Conduct and Ethics is disclosed and made available to the public through the company website at https://www.megaworldcorp.com/investors/investors/corporate-governance/code-business-conduct-ethics	
Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Compliant	<p>The Company has an Anti-Bribery and Corruption Policy.</p> <p>Anti-Bribery and Corruption Policy https://www.megaworldcorp.com/investors/sites/investors/files/2022-08/Megaworld_Anti-bribery%20and%20Anti-corruption%20Policy.pdf</p> <p>Any employee, officer, and director is prohibited from soliciting or accepting gifts, regardless of value, from clients, suppliers and other parties who may have interests in the transactions of the Company.</p>	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	The Directors, Senior Management, and employees of the Company are required to comply with the Code of Business Conduct and Ethics.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	<p>Code of Business Conduct and Ethics https://www.megaworldcorp.com/investors/investors/corporate-governance/code-business-conduct-ethics</p>	
Disclosure and Transparency			
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			

<p>1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.</p>	<p>Compliant</p>	<p>The Company maintains a comprehensive and cost-efficient communication channel for disseminating relevant information for informed decision-making by investors, stakeholders and other interested users. This shall include media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors. The 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. All reports and disclosures are made available to its shareholders and stakeholders thru comprehensive, accurate, reliable and timely disclosures and corporate website postings. The Company holds analysts' briefing quarterly and annually, and gives presentations on the Company's financial condition, results and business operations before (thru the Information Statement), during (thru presentations made by its Investor Relations Director) and after (thru the press briefing conducted immediately after) the Annual Stockholders' Meetings.</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 5, p. 30 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	
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Supplement to Recommendations 8.1

<p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days 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>SEC Form 17-A and 17-Q are available on the corporate website at https://www.megaworldcorp.com/investors/company-disclosures/annual-reports and https://www.megaworldcorp.com/investors/company-disclosures/quarterly-reports, respectively, and the Philippine Stock Exchange EDGE website, https://edge.pse.com.ph/companyDisclosures/form.do?company_id=127.</p> <p>In accordance with the implementing Rules and Regulations of the Securities Regulation Code, the Company disclosed its interim reports within 45 days after the end of each of the first three (3) quarters of each fiscal year.</p> <p>The Company filed its 2022 consolidated financial statements on April 18, 2023 while the 2023 first quarter report was filed on May 10, 2023.</p>	
<p>2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p>	<p>Compliant</p>	<p>The 2022 Annual Report p. 59 to 61, found at https://www.megaworldcorp.com/investors/annual-report-2022, discloses the degree of ownership concentration, particularly the security ownership of certain beneficial owners and management, and principal stockholders.</p>	

Recommendation 8.2

1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	All Forms 23-A (Initial Statement of Beneficial Ownership of Securities) and Forms 23-B (Statement of Changes in Beneficial Ownership of Securities) disclosures/reports are properly filed with the SEC and the PSE.	
3. 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	Manual on Corporate Governance, Revised as of 31 May 2017, Item 5, p. 30 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf	
Supplement to Recommendation 8.2			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	Compliant	<p>The dealings of directors, Management, and top 100 shareholders involving the corporation's shares including their nature, number/percentage and date of transaction, as well as the disclosures on the share buy-back transactions of the company, are disclosed with the Philippine Stock Exchange through its EDGE website, https://edge.pse.com.ph/companyDisclosures/form.do?company_id=127, and on in the corporate website, https://www.megaworldcorp.com/investors/company-disclosures/general-information-sheet.</p> <p>All Forms 23-A (Initial Statement of Beneficial Ownership of Securities) and Forms 23-B (Statement of Changes in Beneficial Ownership of Securities) disclosures/reports are properly filed with the SEC and the PSE.</p>	

Recommendation 8.3

<p>1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	<p>Compliant</p>	<p>The directors' academic qualifications, membership in other boards, other executive positions, professional experiences, and expertise, and share ownership in the company are disclosed in the following reports:</p> <p>2022 Annual Report, p. 50 to 53 https://www.megaworldcorp.com/investors/annual-report-2022</p> <p>2022 Definitive Information Statement, p. 33 to 36 https://www.megaworldcorp.com/investors/definitive-information-statement-2022</p>	
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<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>The academic qualifications, other executive positions, professional experiences, and expertise of key executives in the company are disclosed in the following reports:</p> <p>2022 Annual Report, p. 53 to 56 https://www.megaworldcorp.com/investors/annual-report-2022</p> <p>2022 Definitive Information Statement, p. 36 to 40 https://www.megaworldcorp.com/investors/definitive-information-statement-2022</p>	
Recommendation 8.4			
<p>1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.10, p. 13 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p> <p>2022 Annual Report, p. 58 https://www.megaworldcorp.com/investors/annual-report-2022</p>	

<p>2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.</p>	<p>Compliant</p>	<p>The Company follows the guideline that the levels of remuneration of the Company should be sufficient to be able to attract and retain the services of qualified and competent directors and officers. A portion of the remuneration of executive directors may be structured or be based on corporate and individual performance. The Board aligns the remuneration of key officers and board members with the long-term interests of the Company.</p> <p>The Company may establish formal and transparent procedures for the development of a policy on executive remuneration or determination of remuneration levels for individual directors and officers depending on the particular needs of the company . No director should participate in deciding on his remuneration.</p> <p>The Corporate Governance Committee is in charge of establishing a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the company's culture and strategy as well as the business environment in which it operates.</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.10, p. 13 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p> <p>2022 Annual Report, p. 58 https://www.megaworldcorp.com/investors/annual-report-2022</p>	
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<p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.10, p. 13 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p> <p>2022 Annual Report, p. 58 https://www.megaworldcorp.com/investors/annual-report-2022</p>	
<p>Recommendation 8.5</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>The Board thru its Related party Transaction Committee, is tasked with reviewing all material related party transactions of the Company.</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.11.4, p. 19 to 20 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p> <p>Related Party Transactions Policy https://www.megaworldcorp.com/investors/related-party-transactions-policy</p>	

<p>2. Company discloses material or significant RPTs reviewed and approved during the year.</p>	<p>Compliant</p>	<p>2022 Definitive Information Statement, p. 12 to 13 https://www.megaworldcorp.com/investors/definitive-information-statement-2022</p> <p>2022 Annual Report, p. 17 and 61 https://www.megaworldcorp.com/investors/annual-report-2022</p>	
<p>Supplement to Recommendation 8.5</p>			
<p>1. Company requires directors to disclose their interests in transactions or any other conflict of interests.</p>	<p>Compliant</p>	<p>If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process. A director who has a continuing material conflict of interest should seriously consider resigning from his position. A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the Company, or stands to acquire or gain financial advantage at the expense of the Company.</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.7, p. 11 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p> <p>Related Party Transactions Policy https://www.megaworldcorp.com/investors/related-party-transactions-policy</p>	
<p>Optional : Recommendation 8.5</p>			
<p>1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.</p>			
<p>Recommendation 8.6</p>			

<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>	<p>Compliant</p>	<p>All material facts or events 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 are disclosed with the Philippine Stock Exchange and posted on the company website.</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 5, p. 30 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	
<p>2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.</p>	<p>Non-Compliant</p>		<p>The Board relies on the recommendation and sound discretion of management in evaluating these types of transactions.</p> <p>Further, the Company puts in place an effective price discovery system and exercises due diligence in determining a fair price for RPTs, to ensure that they are within market standards and no preferential treatment nor more favorable economic terms (eg., price, commissions, interest rates, fees, tenor) are given to Related Parties</p>

			<p>that are not extended to non-related parties under the same or similar circumstances. This price discovery mechanism could include, but is not limited to canvassing or bidding process, publishing the property for sale, or acquiring the services of an external expert. The Company may also refer to the OECD Transfer Pricing Guidelines.</p> <p>Before the execution of the material RPT, the Board of Directors shall appoint an external independent party to evaluate the fairness of the terms of the Material RPTs, including but not limited to, auditing/accounting firms and third-party consultants and appraisers.</p> <p>Related Party Transactions Policy, Item V. 3, p. 8 https://www.megaworldcorp.com/investors/sites/investors/files/2019-10/MEG%20-%20Related%20Party%20Transactions%20Policy%20%281%29.pdf</p>
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Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Compliant	The Company is not aware of the existence of persons holding more than five percent (5%) of the Company's common shares under a voting trust or similar agreement. 2022 Annual Report, p. 61 to 62 https://www.megaworldcorp.com/investors/annual-report-2022	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	The Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG). The Company's MCG is posted on its company website at https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf	
2. Company's MCG is submitted to the SEC and PSE.	Compliant		
3. Company's MCG is posted on its company website.	Compliant		
Supplement to Recommendation 8.7			

1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	<p>Manual on Corporate Governance, Revised as of 31 May 2017 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p> <p>There have been no recent changes to the MCG.</p>	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:		<p>2022 Annual Report, p.31 https://www.megaworldcorp.com/investors/annual-report-2022</p>	
a. Corporate Objectives	Compliant		
b. Financial performance indicators	Compliant	a. Corporate Objectives - p. 31 of the Annual Report	
c. Non-financial performance indicators	Compliant	b. Financial performance indicators – p. 39, 43 and 47 of the Annual Report	
d. Dividend Policy	Compliant	c. Non-financial performance indicators - p. 31 of the Annual Report Dividend Policy – p. 37 of the Annual Report	
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant	d. Biographical details of all directors – p. 50 to 56 of the Annual Report	
f. Attendance details of each director in all directors meetings held during the year	Compliant	e. Attendance details of each director in all directors meetings held during the year - Disclosure on Certificate of Attendance of Directors in Meetings of the Board for 2022 https://edge.pse.com.ph/openDiscViewer.do?edge_no=0b16c7c543bcf5929e4dc6f6c9b65995	
g. Total remuneration of each member of the board of directors	Compliant	https://edge.pse.com.ph/openDiscViewer.do?edge_no=0b16c7c543bcf5929e4dc6f6c9b65995 f. Total remuneration of each member of the board of directors – p. 58 of the Annual Report	

<p>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.</p>	<p>Compliant</p>	<p>The following language is indicated in the Annual Report, "The Company's Integrated Annual Corporate Governance Report (IACGR) will be filed separately."</p> <p>2022 Annual Report, p.61 https://www.megaworldcorp.com/investors/annual-report-2022</p>	
<p>3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.</p>	<p>Compliant</p>	<p>2022 Annual Report https://www.megaworldcorp.com/investors/annual-report-2022</p>	
<p>4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.</p>	<p>Compliant</p>	<p>2022 Annual Report https://www.megaworldcorp.com/investors/annual-report-2022</p>	
<p>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).</p>	<p>Compliant</p>	<p>The Annual Report contains a discussion on the Risks Associated with the Company's Business, Risks Relating to the Philippines,</p> <p>2022 Annual Report, p. 20 to 30 https://www.megaworldcorp.com/investors/annual-report-2022</p>	

Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor’s independence and enhance audit quality.

Recommendation 9.1

1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.11.3, p. 17 to 19 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf Audit Committee Charter, p. 4 https://www.megaworldcorp.com/investors/corporate-governance/megaworld-audit-committee-charter	
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<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>	<p>Compliant</p>	<p>The Board of Directors, after consultation with the Audit Committee, recommends to the stockholders the engagement of the external auditors of the Company. The selection of external auditors is made on the basis of credibility, professional reputation, accreditation with the Securities and Exchange Commission, and affiliation with a reputable foreign partner. The professional fees of the external auditors of the Company are approved by the Audit Committee after approval by the stockholders of the engagement and prior to the commencement of each audit season.</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.11.3, p. 17 to 19 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p> <p>Audit Committee Charter, p. 4 https://www.megaworldcorp.com/investors/corporate-governance/megaworld-audit-committee-charter</p> <p>The Audit Committee of the Board of Directors recommended to the Board the engagement of Punongbayan & Araullo as independent auditors of the Company for the audit of its financial statements for the year ending 31 December 2022. The Board approved such engagement, and was ratified by the stockholders during the 2022 ASM.</p> <p>Minutes of Annual Shareholders' Meeting for 2022, p. 4 https://www.megaworldcorp.com/investors/meg-asm-2022</p>	
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<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>	<p>Compliant</p>	<p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.11.3, p. 17 and 19 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	
Supplement to Recommendation 9.1			
<p>1. Company has a policy of rotating the lead audit partner every five years.</p>	<p>Non-Compliant</p>	<p>The external auditor should be rotated or changed every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the Company, should be changed with the same frequency.</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.5, p. 24 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p> <p>Audit Committee Charter, p. 4 https://www.megaworldcorp.com/investors/corporate-governance/megaworld-audit-committee-charter</p>	<p>Mr. Renan A. Piamonte of Punongbayan & Araullo has been the handling partner from 2016 to 2022.</p>
Recommendation 9.2			

<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <ul style="list-style-type: none"> i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. 	<p>Compliant</p>	<p>The Audit Committee Charter includes the Audit Committee's responsibility on:</p> <ul style="list-style-type: none"> (i) assessing the integrity and independence of external auditors; (ii) exercising effective oversight to review and monitor the external auditor's independence and objectivity; and (iii) exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. <p>Audit Committee Charter, p. 4 https://www.megaworldcorp.com/investors/corporate-governance/megaworld-audit-committee-charter</p>	
<p>2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	<p>Compliant</p>	<p>The Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p> <p>Audit Committee Charter, p. 4 https://www.megaworldcorp.com/investors/corporate-governance/megaworld-audit-committee-charter</p>	

<p>1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.</p>	<p>Compliant</p>	<p>Audit Committee Charter, p. 4 https://www.megaworldcorp.com/investors/corporate-governance/megaworld-audit-committee-charter</p>	
<p>2. Audit Committee ensures that the external auditor has adequate quality control procedures.</p>	<p>Compliant</p>	<p>Audit Committee Charter, p. 4 https://www.megaworldcorp.com/investors/corporate-governance/megaworld-audit-committee-charter</p>	
Recommendation 9.3			
<p>1. Company discloses the nature of non- audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.</p>	<p>Compliant</p>	<p>The Company discloses the nature of non- audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.</p> <p>2022 Annual Report, p. 50 https://www.megaworldcorp.com/investors/annual-report-2022</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>	<p>Compliant</p>	<p>The 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> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.11.3, p. 19 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p> <p>Audit Committee Charter https://www.megaworldcorp.com/investors/corporate-governance/megaworld-audit-committee-charter</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>The external auditor of the Corporation currently does not perform any non-audit services. Thus, there are no non-audit fees paid by the Corporation.</p> <p>2022 Annual Report, p. 50 https://www.megaworldcorp.com/investors/annual-report-2022</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>The Company's external auditor is duly accredited by the SEC under Group A category with information as follows:</p> <ol style="list-style-type: none"> 1. Name of the audit engagement partner: Renan A. Piamonte 2. Accreditation number: Partner - No. 107805-SEC Firm - No. 0002 3. Date Accredited: Partner - March 10, 2020 Firm - November 24, 2020 4. Expiry date of accreditation: Partner - December 31, 2023 Firm - December 31, 2024 5. Name, address, contact number of the audit firm: Punongbayan & Araullo 20th Floor, Tower 1, The Enterprise Center, 6766 Ayala Avenue, 1200 Makati City; 8988-2288 	
<p>2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).</p>	<p>Compliant</p>	<p>Punongbayan & Araullo agreed to be subjected to the SEC Oversight Assurance Review.</p>	

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

Recommendation 10.1

<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>In 2022, the Company adopted the updated Global Reporting Initiative's (GRI) system for identifying material topics. In doing so, the Company evaluated whether its material topics for 2021 remain relevant for the current reporting period. The objective of Megaworld's review of its sustainability initiatives, risks, opportunities, and outcomes was to evaluate and determine the materiality of such topics. The Company then determined the potential positive and negative effects of each material topic on the economy, environment, and/or society. Megaworld determined whether these impacts are positive or negative in accordance with the updated Global Reporting Initiatives Standards (GRI Standards) for identifying material topics. Therefore, the Company analyzed the impacts of its operations to accurately evaluate the listed material topics and the results are in the Sustainability Report, Full Year 2022, found in the 2022 Annual Report:</p> <p>https://www.megaworldcorp.com/investors/annual-report-2022</p>	
<p>2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.</p>	<p>Compliant</p>	<p>The Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues through its Corporate Social Responsibility measures.</p> <p>The Company's Corporate Social Responsibility measures are available at the following website: http://www.megaworldfoundation.com/</p>	

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

Recommendation 11.1

<p>1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.</p>	<p>Compliant</p>	<p>The Company maintains a comprehensive and cost-efficient communication channel for disseminating relevant information for informed decision-making by investors, stakeholders and other interested users. This shall include media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.</p> <p>The communication channels used by the company are the following:</p> <ol style="list-style-type: none"> 1. PSE disclosures - https://edge.pse.com.ph/companyInformation/form.do?company_id=127 2. Company website - http://www.megaworldcorp.com 3. Analyst's briefing and Media briefings 4. Press conferences 5. Office of the Investor Relations 6. Annual Stockholders' Meetings <p>The 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. All reports and disclosures are made available to its shareholders and stakeholders thru comprehensive, accurate, reliable and timely disclosures and corporate website postings. The Company holds analysts' briefing quarterly and annually, and gives presentations on the Company's financial condition, results and business operations before (thru the Information Statement), during (thru presentations made by its Investor Relations Director) and after (thru the press briefing conducted immediately after) the Annual Stockholders' Meetings. The Board also adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for</p>	
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		the violation of their rights. Stakeholders can voice their concerns and/or complaints for possible violation of their rights to a dedicated email address of the Company.	
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:	Compliant	<p>Company Website: https://www.megaworldcorp.com/investors/investors/company-disclosures/general-information-sheet</p> <p>Company has a website disclosing up-to- date information on the following:</p> <ul style="list-style-type: none"> a. Financial statements/reports (latest quarterly) - https://www.megaworldcorp.com/investors/company-disclosures/annual-reports and https://www.megaworldcorp.com/investors/company-disclosures/quarterly-reports b. Materials provided in briefings to analysts and media – https://www.megaworldcorp.com/investors/fy2022-meg-presentation https://www.megaworldcorp.com/investors/1h2022-meg-presentation https://www.megaworldcorp.com/investors/1q2022-meg-presentation c. Downloadable annual report - https://www.megaworldcorp.com/investors/company-disclosures/annual-reports d. Notice of ASM and/or SSM - https://www.megaworldcorp.com/investors/company-disclosures/notice-annual-or-special-stockholders-meeting e. Minutes of ASM and/or SSM - https://www.megaworldcorp.com/investors/company-disclosures/minutes-annual-stockholders-meeting f. Company's Articles of Incorporation and By-Laws - https://www.megaworldcorp.com/investors/company/c 	
a. Financial statements/reports (latest quarterly)	Compliant		
b. Materials provided in briefings to analysts and media	Compliant		
c. Downloadable annual report			
d. Notice of ASM and/or SSM			
e. Minutes of ASM and/or SSM			

f. Company's Articles of Incorporation and By-Laws		ompanys-article-incorporation-and-laws	
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	Compliant	<p>The Company complies with SEC-prescribed website template.</p> <p>Company Website: https://www.megaworldcorp.com/</p>	
Internal Control System and Risk Management Framework			
<p>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.</p>			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	<p>The Audit Committee ensures that all financial reports comply with internal financial and management standards, performs oversight financial management functions, pre-approves all audit plans, scope and frequency and performs direct interface functions with internal and external auditors.</p> <p>It performs oversight responsibilities for the following:</p> <ul style="list-style-type: none"> (a) Financial Reporting; (b) Risk Management; (c) Internal Control; (d) Internal Audit; and (e) External Audit. <p>Manual on Corporate Governance, Revised as of 31 May 2017, p. 12 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	

2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	<p>Enterprise Risk Management Policy https://www.megaworldcorp.com/investors/corporate-governance/enterprise-risk-management</p> <p>The risk management system is reviewed annually.</p>	
Supplement to Recommendations 12.1			
1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	Compliant	<p>Manual on Corporate Governance, Revised as of 31 May 2017, p. 3, 9, 12, 18 to 19 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p> <p>The review on the effectiveness of the internal control system shall be done annually.</p>	
Optional: Recommendation 12.1			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.			
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Compliant	Internal Audit is in-house.	
Recommendation 12.3			

<p>1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.</p>	<p>Compliant</p>	<p>Mr. Francis C. Canuto joined the Company in 1995. He is a Certified Public Accountant and currently holds the rank of Senior Vice President and Treasurer of the Company and is Senior Assistant to the Chairman. He is a member of the Company's Management Executive Committee. He holds a bachelor's degree in Commerce major in Accounting and a Master's Degree in Business Administration. He is concurrently Director of Megaworld Global-Estate, Inc. and Eastwood Property Holdings, Inc., Director and Corporate Secretary of Megaworld Central Properties, Inc. and Director and Treasurer of Megaworld Cebu Properties, Inc., Twin Lakes Corporation, Oceantown Properties, Inc., Megaworld Resort Estates, Inc., Megaworld Land, Inc., Megaworld-Daewoo Corporation, Eastwood Cyber One Corporation, and Prestige Hotels & Resorts, Inc. He serves as a Director and President of Arcovia Properties, Inc., Lucky Chinatown Cinemas, Inc., Festive Walk Cinemas, Inc., Southwoods Cinemas, Inc., McKinley Cinemas, Inc., Uptown Cinemas, Inc. and Gilmore Property Marketing Associates, Inc. He is also the President of Megaworld Foundation, Inc. Before joining the Company, he worked as Audit Manager of SGV & Company and Controller of Federal Express Corporation.</p> <p>Internal Audit Charter https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Internal-Audit-Charter.pdf</p>	
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<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>Compliant</p>	<p>Internal Audit Charter, p. 3 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Internal-Audit-Charter.pdf</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>Compliant</p>	<p>Any internal audit is monitored and evaluated by the Chief Audit Executive, who in turn reports to the Executive Committee and Audit Committee.</p> <p>Internal Audit Charter, p. 4 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Internal-Audit-Charter.pdf</p>	
<p>Recommendation 12.4</p>			

<p>1. Company has a separate risk management function to identify, assess and monitor key risk exposures.</p>	<p>Compliant</p>	<p>The Company has established an Enterprise Risk Management (ERM) Process that will provide a focused and disciplined approach to managing these risks. This Process may be accessed at https://www.megaworldcorp.com/investors/corporate-governance/enterprise-risk-management.</p> <p>The Company shall proactively manage its perceived risks by continuously identifying, mitigating or controlling and monitoring serious risks in collaboration with key risk owners, critical support units and, if necessary, with proper external entities.</p> <p>With the effective management of risks being vital to the continued growth and success of the Company, the Company has committed to a robust risk assessment system, methodology, and reporting structure will be used with all risk issues identified, analyzed, assessed, and monitored in a consistent manner.</p>	
<p>Supplement to Recommendation 12.4</p>			
<p>1. Company seeks external technical support in risk management when such competence is not available internally.</p>	<p>Compliant</p>	<p>The Company proactively manages its perceived risks by continuously identifying, mitigating or controlling and monitoring serious risks in collaboration with key risk owners, critical support units and, if necessary, with proper external entities.</p>	

Recommendation 12.5

<p>1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).</p>	<p>Compliant</p>	<p>Ms. Cheryll B. Sereno was the Chief Risk Officer for calendar year 2022. She resigned in January of 2023.</p> <p>The Chief Risk Officer's responsibilities include identification and assessment of business risks and ensuring that the Company continuously develops risk management strategies that are aligned with its corporate goals and objectives. Prior to joining the Company, Ms. Sereno worked in the field of external audit, finance and has extensive experience handling Enterprise Risk Management and Business Continuity Management for the real estate industry.</p>	
<p>2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.</p>	<p>Compliant</p>	<p>The CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.</p>	

Additional Recommendation to Principle 12

<p>1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.</p>	<p>Non-compliant</p>		<p>The Company's directors have reviewed the effectiveness of the Company's and its subsidiaries, affiliates and business segments' internal control system and consider them effective and adequate. For each subsidiary, affiliate, and business segment, internal controls are reviewed annually and are handled at that level. Any major findings that cannot be resolved at such level are elevated to the Company through the Audit Committee of the Board. No matter has been elevated to the Company level by any subsidiary, affiliate or business segment for the past year.</p>
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Cultivating a Synergic Relationship with Shareholders

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

Recommendation 13.1

<p>1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.</p>	<p>Compliant</p>	<p>The basic shareholder rights are disclosed in the Manual on Corporate Governance.</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 4, p. 26 to 29 https://www.megaworldcorp.com/investors/site/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	
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<p>2. Board ensures that basic shareholder rights are disclosed on the company's website.</p>	<p>Compliant</p>	<p>A list of the Shareholders' Rights is available at https://www.megaworldcorp.com/investors/corporate-governance/rights-shareholders.</p> <p>The Manual on Corporate Governance, revised as of 31 May 2017 (p. 26 to 29) is uploaded on the Company's website: https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	
<p>Supplement to Recommendation 13.1</p>			
<p>1. Company's common share has one vote for one share.</p>	<p>Compliant</p>	<p>Each stockholder shall be entitled to one (1) vote with respect to all matters to be taken up during the annual meeting of stockholders. With respect to the election of the members of the board of directors of the Company, each stockholder shall have cumulative voting rights.</p> <p>2022 Definitive Information Statement, p. 8 https://www.megaworldcorp.com/investors/definitive-information-statement-2022</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>All shareholders of the same class are treated equally or without discrimination with respect to voting rights, subscription rights and transfer rights</p> <p>2022 Definitive Information Statement, p. 7 to 8 https://www.megaworldcorp.com/investors/definitive-information-statement-2022</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 4, p. 26 to 29 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	
<p>3. Board has an effective, secure, and efficient voting system.</p>	<p>Compliant</p>	<p>Pursuant to Article 1, Sections 4 and 6 of the Company's Amended By-Laws, Sections 23 and 57 of the Revised Corporation Code, and SEC Memorandum Circular No. 06, Series of 2020 allowing voting through remote communication or in absentia, stockholders may now participate in the Annual Meeting by remote communication and cast their votes in absentia. A stockholder may cast his/her votes by remote communication or in absentia. A stockholder voting remotely or in absentia shall be deemed present for purposes of quorum.</p> <p>2022 Definitive Information Statement, p. 7, 17, 64 to 66 https://www.megaworldcorp.com/investors/definitive-information-statement-2022</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>While there is a risk that the controlling shareholders’ voting power may be restrictive or authorize preferences, the Board is committed to respect the rights of the shareholders as provided for in the Revised Corporation Code. These include the right to vote on all matters that require their consent or approval, such that a director shall not be removed without cause if it will deny minority shareholders representation in the Board.</p>	
<p>5. Board allows shareholders to call a special shareholders’ meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.</p>	<p>Compliant</p>	<p>The right to propose the holding of meetings and items for inclusion in the agenda is given to all shareholders, including minority and foreign shareholders. However, to prevent the abuse of this right, the Company may require that the proposal be made by shareholders holding a specified percentage of shares or voting rights.</p> <p>To ensure that minority shareholders are not effectively prevented from exercising this right, the degree of ownership concentration is considered in determining the threshold.</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 4, p. 28 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	

<p>6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.</p>	<p>Compliant</p>	<p>The minority shareholders may propose the holding of a meeting, or propose items in the agenda of the meeting, provided the items are for legitimate business purposes.</p> <p>The minority shareholders shall in accordance with the Revised Corporation Code have access to information relating to matters for which the Management is accountable.</p> <p>The minority shareholders may propose the holding of a meeting, or propose items in the agenda of the meeting, provided the items are for legitimate business purposes. The minority shareholders shall in accordance with the Corporation Code have access to information relating to matters for which the Management is accountable.</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 4, p. 27 and 28 29 https://www.megaworldcorp.com/investors/site/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	
<p>7. Company has a transparent and specific dividend policy.</p>	<p>Compliant</p>	<p>The Company shall declare dividends when its retained earnings shall be in excess of 100% of its paid-in capital stock, except:</p> <ol style="list-style-type: none"> 1. when justified by definite corporate expansion projects or programs approved by the Board of Directors; 2. when the Company is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; and, 3. when it can be clearly shown that such retention is necessary under special 	

		<p>circumstances obtaining in the Company, such as when there is a need for special reserve for probable contingencies.</p> <p>The payment of dividends, either in the form of cash or stock, will depend upon the Company's earnings, cash flow and financial condition, among other factors. The Company may declare dividends only out of its unrestricted retained earnings. These represent the net accumulated earnings of the Company with its capital unimpaired, which are not appropriated for any other purpose. The Company may pay dividends in cash, by the distribution of property, or by the issue of shares of stock. Dividends paid in cash are subject to the approval by the Board of Directors. Dividends paid in the form of additional shares are subject to approval by both the Board of Directors and at least two-thirds of the outstanding capital stock of the shareholders at a shareholders' meeting called for such purpose.</p> <p>The Company declares cash dividends to shareholders of record usually in the first half of each year. These dividends are paid from unrestricted retained earnings. The Company intends to maintain an annual cash dividend payment ratio of 20% of its net income from the preceding year, subject to the requirements of applicable laws and regulations and the absence of circumstances that may restrict the payment of such dividends, such as where the Company undertakes major projects and developments. The Board of Directors may, at any time, modify its dividend payout ratio depending upon the results of operations and future projects and plans of the Company.</p>	
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		<p>2022 Definitive Information Statement, p. 32 to 33 https://www.megaworldcorp.com/investors/definitive-information-statement-2022</p> <p>2022 Annual Report, p. 37 https://www.megaworldcorp.com/investors/annual-report-2022</p>	
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.			
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Compliant	<p>The Notice of Annual Stockholders' Meeting for 2022 was disclosed on PSE Edge on May 04, 2022, or more than 28 days before the meeting held on June 17, 2022, while the 2022 Information Statement containing the Notice and Agenda of the 2022 annual stockholders' meeting was posted on the Company website and disclosed on PSE Edge on May 23, 2022.</p> <p>https://www.megaworldcorp.com/investors/company-disclosures/notice-annual-or-special-stockholders-meeting</p>	
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Compliant	<p>Notice of Annual Shareholders' Meeting for 2022 https://www.megaworldcorp.com/investors/asm-notice-2022</p>	

a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)		a. The profiles of directors – p. 33 to 40 of the 2022 Definitive Information Statement b. Auditors seeking appointment/re-appointment – p. 15 to 15 of the 2022 Definitive Information Statement c. Proxy documents – p. 5 of the 2022 Definitive Information Statement	
b. Auditors seeking appointment/re-appointment		2022 Definitive Information Statement https://www.megaworldcorp.com/investors/definitive-information-statement-2022	
c. Proxy documents			
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting		The Company provides rationale for the agenda items for the annual stockholders meeting. 2022 Definitive Information Statement, p. 3 to 4 https://www.megaworldcorp.com/investors/definitive-information-statement-2022	
Recommendation 13.3			

<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>Non-Compliant</p>	<p>The Minutes of the last ASM, which is uploaded in the Company's website, contains all the relevant questions raised and answers during the ASM. The voting on resolutions was through electronic voting in absentia or by proxy. Duly registered stockholders sent their questions prior to the ASM through email at corporatesecretary@megaworldcorp.com and answers were given during and after the ASM.</p> <p>Minutes of Annual Shareholders' Meeting for 2022 https://www.megaworldcorp.com/investors/meg-asm-2022</p>	<p>The minutes of the 2022 Annual Meeting was not made available on the Company the next working day. However, the Company immediately disclosed the Results of Annual or Special Stockholders' Meeting on PSE Edge https://www.megaworldcorp.com/investors/78-june-17-2022-meg-results-annual-stockholders-meeting-2022</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>Non-Compliant</p>	<p>The Company did not hold a Special Shareholders' Meetings in 2022.</p>	<p>The minutes of the 2022 Annual Meeting was not made available on the Company website within five business days from the end of the meeting. However, the Company immediately disclosed the Results of Annual or Special Stockholders' Meeting on PSE Edge https://www.megaworldcorp.com/investors/78-june-17-2022-meg-results-annual-stockholders-meeting-2022</p>

Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	The external auditor, Chief Financial Officer, Investor Relations Officer, and Corporate Secretary were present during the ASM. The Company did not hold an SSM in 2022.	
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.7, p. 10; and Item 4. p. 29 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.7, p. 10; and Item 4. p. 29 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf	
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	The Board has established an IRO to ensure constant engagement with its shareholders. 1. Name of Investor Relations Director: Dave Michael Valeriano 2. Telephone number: (632)8946331 3. Fax number: N/A 4. E-mail address: dvaleriano@megaworldcorp.com	

2. IRO is present at every shareholder's meeting.	Compliant	The IRO was present during the ASM.	
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant	<p>The combination of executive and non-executive Directors is one measure that the Company adapted in order that no director, small group of directors, and controlling shareholder group can dominate the decision-making process.</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, p. 6 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p> <p>The Board recognizes that shareholders shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 80 of the Revised Corporation Code of the Philippines, under any of the following circumstances:</p> <p>a. In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;</p> <p>b. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code; and;</p> <p>c. In case of merger or consolidation.</p>	

		<p>Manual on Corporate Governance, Revised as of 31 May 2017, p. 28</p> <p>https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Compliant	<p>The Company's public float as of December 31, 2022 is 31.99%.</p> <p>https://edge.pse.com.ph/openDiscViewer.do?edg_no=c4a4cfb013f7df7e9e4dc6f6c9b65995</p>	
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting			
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.			
Duties to Stakeholders			
<p>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.</p>			
Recommendation 14.1			

<p>1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance, Revised as of 31 May 2017, p. 12 and 29 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	
<p>Recommendation 14.2</p>			
<p>1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.</p>	<p>Compliant</p>	<p>The Board respects the rights of stakeholders established by law, by contractual relations and through voluntary commitments. It continues to establish clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders which include, but not limited to customers, employees, suppliers, shareholders, investors, creditors, the community the Company operates in, society, the government, regulators, competitors, external auditors, and maintain open and easy communication through the Investor Relations Office and the Office of the Corporate Secretary.</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, p. 29 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p> <p>Company Policies https://www.megaworldcorp.com/investors/investors/corporate-governance/companies-policies</p>	

Recommendation 14.3			
<p>1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.</p>	<p>Compliant</p>	<p>Stakeholders can voice their concerns and/or complaints for possible violation of their rights to the following:</p> <p>Mr. Dave Michael Valeriano – Investor Relations Officer +632-8946331 dvaleriano@megaworldcorp.com</p> <p>Investors Assistance Tab https://www.megaworldcorp.com/investors/investor-relations/investors-assistance</p> <p>Whistle-blowing Policy https://www.megaworldcorp.com/investors/investors/corporate-governance/companies-policies</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, p. 29 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	
Supplement to Recommendation 14.3			
<p>1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 3.2.6, p. 10; and Item 4, p. 29 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	
Additional Recommendations to Principle 14			

<p>1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.</p>	<p>Compliant</p>	<p>The Company has not yet sought any exemption for the application of any law, rule or regulation especially when it refers to a corporate governance issue.</p>	
<p>2. Company respects intellectual property rights.</p>	<p>Compliant</p>	<p>The Company respects intellectual property rights. The Company owns the registered trademark over its name and new logo which was registered on November 2019 and is valid until November 2029. While important, the Company does not believe that its operations or its subsidiaries' operations depend on its trademarks or any patent, license franchise, concession or royalty agreement. As of the 31 December 2022, the Company also has 45 registered trademarks over the names of its development projects.</p> <p>2022 Annual Report, p. 17 https://www.megaworldcorp.com/investors/annual-report-2022</p>	
<p>Optional: Principle 14</p>			
<p>1. Company discloses its policies and practices that address customers' welfare</p>			

<p>2. Company discloses its policies and practices that address supplier/contractor selection procedures</p>	<p>Compliant</p>	<p>The procurement policy and procedures used by Megaworld are essential to ensuring that the Company's business partners and suppliers have reputable backgrounds. The Company also believes that supporting its local suppliers contribute to the enhancement of economic activity in the regions where it operates.</p> <p>The Company places great importance in ensuring that all procurement activities are conducted according to high quality standards, establishing a well-defined process that ensures all suppliers and vendors pass the rigorous requirements set by the company, which is in line with its ISO 9001 Quality Management System certification.</p> <p>To further enhance its procurement processes, Megaworld has also implemented partnering and multi-sourcing strategies. These strategies not only ensure the availability of essential materials needed in its construction and operating activities but also help the Company build stronger relationships with its suppliers and vendors. By working closely with these partners, the Company can identify and mitigate potential risks and issues that may arise during the procurement process, ensuring that the Company can continue to deliver its projects on time and within budget.</p> <p>Sustainability Report, Full Year 2022, found in the 2022 Annual Report https://www.megaworldcorp.com/investors/annual-report-2022</p>	
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Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Compliant	Manual on Corporate Governance, Revised as of 31 May 2017, Item 6, p. 30 to 31 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf	
Supplement to Recommendation 15.1			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	Compliant	The Company's commitment to inclusivity encompasses its establishment of programs and initiatives that are beneficial to the diverse workforce and are geared towards each member's continued growth and development. The inclusivity implemented by the Company in its work environment increases access to employment opportunities within the organization, boost productivity, creativity, and innovation, and enhance employee engagement and retention—which also translates to improved business performance, longevity, and sustainability. Employee Stock Option Plan, found in the 2022 Annual Report, p. 58 to 59 https://www.megaworldcorp.com/investors/annual-report-2022	

<p>2. Company has policies and practices on health, safety and welfare of its employees.</p>	<p>Compliant</p>	<p>Megaworld's Occupational Safety and Health (OSH) Policy's focus is on maintaining a safe and healthy work environment across its supply chain. The Company is in the low-risk category relative to Occupational Safety and Health Assessment (OSHA) risk category. Risks include a decrease in productivity and healthcare financing for accidents and illness.</p> <p>Safety Protocol Officers were assigned to each significant department and location to help address safety-related concerns and promote guidelines related to health and safety. A continuous review of OSH audits, monitoring, and reporting incidents of illness and accidents in the workplace is routinely done to acquire a more accurate representation of all recorded incidents of work-related accidents and ill-health for the reporting period.</p> <p>Upon hiring, the Company covers for an employee's physical well-being through an HMO coverage, provides security through a life insurance coverage, and recognizes an employee's performance through annual appraisals and incentives. In line with the Company's prioritization of its employees' health, Megaworld facilitates annual physical examinations and anti-flu vaccinations in partnership with our HMO provider for its employees.</p> <p>Sustainability Report, Full Year 2022, found in the 2022 Annual Report https://www.megaworldcorp.com/investors/annual-report-2022</p> <p>Manual on Corporate Governance, Revised as of 31 May 2017, Item 6, p. 30 to 31 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	
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<p>3. Company has policies and practices on training and development of its employees.</p>	<p>Compliant</p>	<p>Training and development are essential to retaining employees, helping improve skills, and sustaining the growth of the Company's talent pool. Megaworld believes that a successful training and development program would result in enhanced employee competency, spirit, and resilience in terms of overcoming challenges that they may face. The learning programs that the Company offers are highly inclusive, and everyone is given an equal opportunity to participate. Part of the Company's initiatives is to improve monitoring by including gender and other personal details in an individualized employee learning track record to ensure equitable training access for all its employees.</p> <p>Training needs analyses are periodically conducted to determine and customize the training programs that are appropriate to their needs. Megaworld Learning Academy, HR Business Partners, Organizational Development, and other Training Groups collaborate to promote and manage the learning and development needs of its employees. The teams use a combination of Zoom/Google Meet for online learning sessions, Google suite for data/material management and tracking, and Facebook for live streams and learning and development-related postings.</p> <p>The effectiveness of the training and development initiatives/programs is determined through post-training evaluation/feedback for the Company to understand what needs to be replicated, what needs to be modified, and what needs to be improved for a particular training program.</p> <p>Sustainability Report, Full Year 2022, found in the 2022 Annual Report https://www.megaworldcorp.com/investors/annual-report-2022</p>	
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Recommendation 15.2

<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>The Company endeavors to cultivate a culture of integrity that does not tolerate conflict-of-interest and unfair business dealings. The Company has adopted an Anti-bribery and Anti-corruption Policy.</p> <p>Anti-bribery and Anti-corruption Policy https://www.megaworldcorp.com/investors/corporate-governance/anti-bribery-and-anti-corruption-policy</p>	
<p>2. 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>An internal business memo, through the employee portal, was used to provide information to all of the Company's employees, including those employed by its subsidiaries, regarding the anti-corruption policies and procedures that have been implemented by the organization.</p> <p>Sustainability Report, Full Year 2022, found in the 2022 Annual Report https://www.megaworldcorp.com/investors/annual-report-2022</p> <p>Anti-bribery and Anti-corruption Policy https://www.megaworldcorp.com/investors/corporate-governance/anti-bribery-and-anti-corruption-policy</p>	
<p>Supplement to Recommendation 15.2</p>			

<p>1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.</p>	<p>Compliant</p>	<p>Integrity is highly valued at Megaworld, and the Company actively promotes regulations that safeguards its stakeholders, especially its employees, while interacting with its many customers and vendors. When engaging with its reliable partners and suppliers, the Company adheres to policies and protocols it has established, therefore mitigating the risks associated with corruption.</p> <p>The Company is committed to ensuring the prevention of anti-corruption by adhering to the minimal standards mandated by relevant laws, rules, and regulations, as well as those established by international best practices. Because corruption may have a substantial influence on an organization's capacity to maintain its financial stability, the Company engages with both government and non-government organizations to establish an environment free of corruption.</p> <p>Sustainability Report, Full Year 2022, found in the 2022 Annual Report https://www.megaworldcorp.com/investors/annual-report-2022</p> <p>Directors, Senior Management and Employees must not solicit or accept any gift, regardless of value, from any supplier, contractor or business partner. However, if it is not practical to return the gift, such gift must be turned over to the Office of the President for proper disposition.</p> <p>Code of Business Conduct and Ethics https://www.megaworldcorp.com/investors/corporate-governance/code-business-conduct-ethics</p> <p>Anti-bribery and Anti-corruption Policy https://www.megaworldcorp.com/investors/corporate-governance/anti-bribery-and-anti-corruption-policy</p>	
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Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Compliant	<p>The Company's Whistleblowing Policy allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.</p> <p>Whistle-blowing Policy, p. 4 to 5 https://www.megaworldcorp.com/investors/investors/corporate-governance/companies-policies</p>	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant	<p>Megaworld has an Ethics Committee that receives reports of wrongdoing by the Company's directors, senior management, and employees and investigates them while ensuring the confidentiality of information and protection of the whistleblowers.</p> <p>Whistle-blowing Policy, p. 4 to 5 https://www.megaworldcorp.com/investors/investors/corporate-governance/companies-policies</p>	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	<p>Manual on Corporate Governance, revised as of May 31, 2017, Item 6, p. 31 https://www.megaworldcorp.com/investors/sites/investors/files/2018-05/MEG-Manual-on-Corporate-Governance-2017.pdf</p>	



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

Recommendation 16.1

<p>1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.</p>	<p>Compliant</p>	<p>At least once a month, face-to-face or virtual meetings are held to gather stakeholder feedback and inputs from its stakeholders, including community outreach in coordination with Megaworld Foundation, supporting Local Government Unit (LGU) programs, sending donations to the LGU in the event of disasters and emergencies, and participation in relevant functions, consultations, meetings, and seminars with its partners.</p> <p>Sustainability Report, Full Year 2022, found in the 2022 Annual Report https://www.megaworldcorp.com/investors/annual-report-2022</p> <p>Programs and Initiatives of Megaworld Foundation, Inc. https://www.megaworldfoundation.com/partnership_building</p>	
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Optional: Principle 16

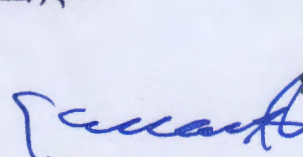
<p>1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development</p>	<p>Compliant</p>	<p>Energy - The Company is deeply committed to utilizing energy in an efficient and sustainable way. The company recognizes that achieving these goals requires constant monitoring and review of its corporate objectives, along with regular assessments of budget variances to understand how resources are being utilized and whether expected scorecards have been achieved. To further highlight the Company's adherence to sustainability, the Company has been a champion to promote green developments through its township's green buildings, which is compliant with the Leadership in Energy and Environment Design (LEED) standards.</p> <p>Water - The implementation of efficient monitoring and tracking technology to assure compliance with regulatory requirements demonstrates the Company's commitment to sustainable water management and effluent control. These technologies were developed to ensure that the Company complies with all applicable regulations. The provision of a high-quality water supply to the Company's clients as well as the assurance of proper wastewater treatment are both important to the Company. To encourage water conservation and consumption efficiency, the Company's project designs include low-flow rate fixtures, use water outflow for the water demands of cooling towers, and utilize water for flushing in comfort rooms.</p> <p>Materials - The Company recognizes its responsibility for the input materials used in its construction activities. Energy, water, and materials such as steel and cement, and other construction materials make up the resources used in property development. Bulk of materials used by the Company's ongoing projects is procured by its stable of accredited contractors and vendors that are ISO140001 compliant, thus guaranteeing that these contractors adhere to the highest environmental standards. The Company's projects where most of its contractors have limited capacity,</p>	
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		<p>the Company sources its own materials. These materials are continuously monitored and managed as part of its commitment to use resources efficiently.</p> <p>Biodiversity - With the Company's commitment to the preservation of the environment, at least 40% of the township's land is set aside for green and open spaces. It has likewise been actively implementing green initiatives such as the use of solarpowered and LED streetlamps, as well as the use of e-jeepeys, and the continued compliance with the regulations by the government such as the 'No Build' rule in beach areas, as well as the construction of its own sewage treatment plan.</p> <p>Air - The Company aims to significantly contribute to the achievement of its target to be carbon neutral by 2035. By setting targets and goals for reducing carbon emissions, the Company can identify initiatives that will allow it to reach its target in a timely and efficient manner. The Company's malls have begun to use solar roof panels while utilizing an open layout scheme for passive cooling and natural lighting in common areas, thus providing more natural ventilation and reducing the need for energy- consuming cooling and ventilation systems and artificial lights. Moreover, the Company also implements periodic upgrades for its mall and office equipment to increase energy efficiency and reduce consumption</p> <p>Sustainability Report, Full Year 2022, found in the 2022 Annual Report https://www.megaworldcorp.com/investors/annual-report-2022</p>	
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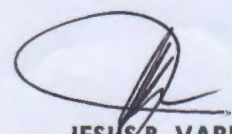
<p>2. Company exerts effort to interact positively with the communities in which it operates</p>	<p>Compliant</p>	<p>The Company supports the government’s thrust to promote economic development and intends to continue to pursue revenue and geographical diversification as it develops community townships embodying the “live-work-play-learn” concept in various stages and strategic locations both within and outside Metro Manila. Megaworld commits to create inclusive growth for its stakeholders and the communities around it by providing equal access to relevant resources and opportunities to promote shared prosperity and social harmony.</p> <p>The Company’s position as a leader in crafting and delivering community township developments has strengthened over the years and continues to be its key strategy in bringing new projects to the market and entering new joint venture developments. In the same manner, this strength is also used by the Company to create value to the communities that it operates in. The development of Megaworld townships has helped spur economic growth by providing job opportunities and creating new markets for the benefit of nearby communities.</p> <p>Sustainability Report, Full Year 2022, found in the 2022 Annual Report https://www.megaworldcorp.com/investors/annual-report-2022</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 _____ on 29 MAY 2023 2023.


SIGNATURES



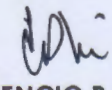
ANDREW L. TAN
Chairman of the Board/
Chief Executive Officer



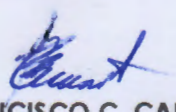
JESUS B. VARELA
Independent Director



ALEJO L. VILLANUEVA, JR.
Independent Director



CRESENCIO P. AQUINO
Independent Director



FRANCISCO C. CANUTO
Compliance Officer




ANNA MICHELLE T. LLOVIDO
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 29 MAY 2023 day of May 2023, affiant(s) exhibiting to me their Passport/SSS/TIN Nos., as follows:

NAME	IDENTIFICATION CARD NUMBER
Andrew L. Tan	Passport No: P9281984A expiring until October 23, 2028
Jesus B. Varela	Senior Citizen ID: 11700
Alejo L. Villanueva, Jr.	SSS Number: 03-0714112-5
Cresencio P. Aquino	Passport No: P8626994A expiring until September 5, 2028
Francisco C. Canuto	Driver's License No. N02-80-016791 expiring until August 4, 2023
Anna Michelle T. Llovido	Driver's License Number N04-95-346720 expiring until July 20, 2024

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Page No. 11 ;
Book No. 281 ;
Series of 2023.

NOTARY PUBLIC



ATTY. RAYMOND A. RAMOS
COMMISSION NO. M-077
NOTARY PUBLIC FOR MAKATI CITY
UNTIL DECEMBER 31, 2024
5 KALAYAAN AVENUE EXTENSION,
BARANGAY WEST REMBO 1215, MAKATI CITY
SC Roll No. 62179/04-26-2013
IBP NO. 258534/01-02-2023/Pasig City
PTR NO. MKT 9562350/01-03-2023/Makati City
MCLB Compliance No. VII-0020180/04-14-2025