

COVER SHEET

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S.E.C. Registration Number

M	A	K	A	T	I		F	I	N	A	N	C	E		C	O	R	P	O	R	A	T	I	O	N
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(Company's Full Name)

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

MARCOS E. LAROSA

Contact Person

(02) 751-8132

Company Telephone Number

1	2
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Month

3	1
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Day

Fiscal Year

2018

I-ACGR

FORM TYPE

0	7
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Month

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Day

Annual Meeting

**Every last
Thursday of July**

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Secondary License Type, If Applicable

C	G	F	D
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Dept. Requiring this Doc.

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Amended Articles Number/Section

107

Total No. of Stockholders

Total Amount of Borrowings

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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File Number

LCU

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Document I.D.

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes



May 28, 2019

SECURITIES AND EXCHANGE COMMISSION

Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, 1307

Attention : **HON. RACHEL ESTHER J. GUMTANG-REMALANTE**
OIC, Corporate Governance and Finance Department

The Disclosure Department

THE PHILIPPINE STOCK EXCHANGE, INC.

3rd Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City

Attention : **MS. JANET A. ENCARNACION**
Head, Disclosure Department



Gentlemen:

In compliance with the SEC Memorandum Circular No. 15 Series of 2017, please find attached Integrated Annual Corporate Governance Report (SEC Form I-ACGR) of Makati Finance Corporation covering for the year 2018.

We are making this disclosure in compliance with the Continuing Listing Requirements of the Philippine Stock Exchange.

MAKATI FINANCE CORPORATION
Registrant

By:

MARCOS E. LAROSA
Chief Finance Officer/Compliance Officer/CIO



**SEC FORM – I-ACGR
INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**

1. For the fiscal year ended **December 31, 2018**
2. SEC Identification Number **28788** 3. BIR Tax Identification No. **000-473-966-000**
4. Exact name of issuer as specified in its charter – **MAKATI FINANCE CORPORATION**
5. **Philippines** 6. (SEC Use Only)
Province, Country or other jurisdiction of Industry Classification Code:
incorporation or organization
7. **3/F Mazda Makati Building 2301 Chino Roces Ave., Brgy. Magallanes, Makati City**
Address of principal office Postal Code
1231
8. **+632 7518132**
Issuer's telephone number, including area code
9. **7823 Makati Avenue, Poblacion Makati City 1210**
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			ADDITIONAL INFORMATION	EXPLANATION
COMPLIANT / NON-COMPLIANT				
The Board's Governance Responsibilities				
<p>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.</p>				
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	Provide information or link/reference to a document containing information on the following:		
2. Board has an appropriate mix of competence and expertise.	COMPLIANT	<ul style="list-style-type: none"> Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance 		
3. Directors remain qualified for their positions individually and collectively to enable them to fulfil their roles and responsibilities and respond to the needs of the organization.	COMPLIANT	<ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 https://www.makatifinance.ph/pdf/Manual/Amended-2017%20MANUAL%20ON%20CORPORATE%20GOVERNANCE.pdf SEC FORM 17A - Annual Report 2018 https://www.makatifinance.ph/pdf/Sec%20Form%2017-A/SEC%20FORM%2017A%20(2018).pdf SEC FORM 20-IS - Definitive Information Statement 2018 https://www.makatifinance.ph/pdf/Sec%20Form%20IS/SEC%20Form%2020-%2020-%202020- 		

Recommendation 1.2				
1. Board is composed of a majority of non-executive directors.	COMPLIANT	Identify or provide link/reference to a document identifying the directors and the type of their directorships	<ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 • SEC FORM 20-IS - Definitive Information Statement 2018 • SEC FORM 17A - Annual Report 2018 • SEC FORM 17C –Current Report (Date of Disclosure: July 26, 2018) Disclosure on the Results of Organizational Meeting, 26 July 2018 	
Recommendation 1.3				
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	COMPLIANT	Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors. <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 		
2. Company has an orientation program for first time directors.	COMPLIANT	Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered. <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 		
3. Company has relevant annual continuing training for all directors.	COMPLIANT	<ul style="list-style-type: none"> • SEC FORM 17-C Current Report 2018 (Date of Disclosure December 19, 2018) Disclosure on the Certificates of Attendance for having attended Corporate Governance 		

		<p>seminar, 18 December 2018 https://www.makatifinance.ph/pdf/Sec%20Form%2017-C/Certificate%20of%20Attendance%20of%20Directors%20and%20Officers%20on%20Corporate%20Governance%20Seminar%202018.pdf</p>	
Recommendation 1.4			
1. Board has a policy on board diversity.	COMPLIANT	<p>Provide information on or link/reference to a document containing information on the company's board diversity policy.</p> <p>Indicate gender composition of the board</p> <ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended, par. 1, p.1 Adopted by the Board of Directors on 30 September 2017 	
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.	COMPLIANT	<p>Provide information on or link/reference to a document containing the company's policy and measurable objectives for implementing board diversity.</p> <ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended, par. 1, p.1 Adopted by the Board of Directors on 30 September 2017 	
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	COMPLIANT	<p>Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.</p> <ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 SEC FORM 17A - Annual Report 2018 	
2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT		
3. Corporate Secretary is not a member of the Board of Directors.	COMPLIANT		

		<ul style="list-style-type: none"> • SEC FORM 20-IS - Definitive Information Statement 2018 • SEC FORM 17-C Current Report 2018 (Date of Disclosure July 26, 2018) Disclosure on the appointment https://www.makatifinance.ph/pdf/Sec%20Form%2017-C/ASM%20and%20Regular%20Board%20%20Meeting%20on%20July%2026,2018.pdf 	
4. Corporate Secretary attends training/s on corporate governance.	COMPLIANT	<p>Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 	
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	COMPLIANT	<p>Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 • All materials to be discussed on the monthly board meetings have been emailed 5 days before the scheduled meeting. 	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	COMPLIANT	<p>Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 • SEC FORM 17C –Current Report 2018 (Date of Disclosure: July 26, 2018) 	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	COMPLIANT		
3. Compliance Officer is not a member of the board.	COMPLIANT		

		Disclosure on the appointment of Compliance Officer, 26 July 2018.	
4. Compliance Officer attends training/s on corporate governance.	COMPLIANT	<p>Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered</p> <ul style="list-style-type: none"> SEC FORM 20-IS - Definitive Information Statement 2018 SEC FORM 17-C Current Report 2018 (Date of Disclosure December 19, 2018) Disclosure on the Certificates of Attendance for having attended Corporate Governance seminar, 18 December 2018 	

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

Recommendation 2.1			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	COMPLIANT	<p>Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)</p> <ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 Minutes of the Meetings of the Corporation. 	
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	COMPLIANT	<p>Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting)</p> <ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 Minutes of the Meetings of the Corporation 	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	COMPLIANT		
		Indicate frequency of review of business objectives and strategy	

		<ul style="list-style-type: none"> The Board of Directors reviews the business objectives and strategy during its quarterly and special Board meetings, based on the reports provided by management. 	
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	COMPLIANT	<p>Indicate or provide link/reference to a document containing the company's vision, mission and core values.</p> <ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 MFIN WEBSITE https://www.makatiifinance.ph SEC FORM 17A - Annual Report 2018 	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	COMPLIANT	<p>Provide information on or link/reference to a document containing information on the strategy execution process. CFA</p> <ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended, par. 1.1, p.1, par. 3.1.1, p.10 par. 3.2.1, p. 11 Adopted by the Board of Directors on 30 September 2017 	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	COMPLIANT	<p>Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications</p> <ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 SEC FORM 20-IS - Definitive Information Statement 2018 SEC FORM 17A - Annual Report 2018 	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key	COMPLIANT	<p>Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation</p>	

officers and management.		<ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended, pars. 1.1, p.1 Adopted by the Board of Directors on 30 September 2017 • Succession Planning 	
2. Board adopts a policy on the retirement for directors and key officers.	COMPLIANT		
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	COMPLIANT	Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.	
2. Board adopts a policy specifying the relationship between remuneration and performance.	COMPLIANT	<ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT		
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.			
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	COMPLIANT	Provide information on or link/reference to a document containing measurable standards to align performance-based remuneration with the long-term interest of the company. <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 	

deferred bonuses.			
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	COMPLIANT	Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT		<ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended, par. 1.1, p.2, par 2.2, p.6, par. 2.2.1 (a), p. 6, par. 2.2.1 (b), p.6, par. 2.4.1, p.10, par. and 10.1.6, p.21 Adopted by the Board of Directors on 30 September 2017
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	COMPLIANT	Provide proof if minority shareholders have a right to nominate candidates to the board	
4. Board nomination and election policy includes how the board shortlists candidates.	COMPLIANT	<ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended, pars. 10.1.1 (a)(b), p.19 Adopted by the Board of Directors on 30 September 2017 	
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	Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT	<ul style="list-style-type: none"> In discussing the shortlist of directors, as presented by the Nomination Committee, the Board passes upon the effectiveness of nomination and election process of directors 	

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.	NON-COMPLIANT	Identify the professional search firm used or other external sources of candidates	Not applicable. The Corporation does not use professional search firms or other external sources of candidates.
Recommendation 2.7			
2. 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	Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs	
3. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT	<ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended, par 1.1, p.2 Adopted by the Board of Directors on 30 September 2017 Identify transactions that were approved pursuant to the policy.	
4. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	COMPLIANT		
Supplement to Recommendations 2.7			
1. Board clearly defines the threshold for disclosure and	COMPLIANT	Provide information on a materiality threshold for RPT disclosure and approval, if any.	

<p>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>Provide information on RPT categories</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 • SEC FORM 17A - Annual Report 2018 • SEC FORM 20-IS - Definitive Information Statement 2018 	
<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>Provide information on voting system, if any.</p> <ul style="list-style-type: none"> • Non-related party shareholders are provided an opportunity to discuss, approve or disapprove the acts of the Directors and management, during the annual stockholders' meetings. 	
<p>Recommendation 2.8</p>			
<p>1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>COMPLIANT</p>	<p>Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended, par. 1.1, p.2 Adopted by the Board of Directors on 30 September 2017 <p>Identify the Management team appointed</p>	

		<ul style="list-style-type: none"> • SEC FORM 17-C Current Report 2018 (Date of Disclosure July 26, 2018) 	
<p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	COMPLIANT	<p>Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 <p>Provide information on the assessment process and indicate frequency of assessment of performance.</p>	
Recommendation 2.9			
<p>1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.</p>	COMPLIANT	<p>Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 • Succession Planning 	
<p>2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.</p>	COMPLIANT		

Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	COMPLIANT	Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	COMPLIANT	<ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended, pars. 1.1, p.2 and par 4, p.13 Adopted by the Board of Directors on 30 September 2017 	
3. Board approves the Internal Audit Charter.	COMPLIANT	Provide reference or link to the company's Internal Audit Charter	
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	COMPLIANT	Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	COMPLIANT	<ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended, par. 1.1, p.2 Adopted by the Board of Directors on 30 September 2017 	
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	COMPLIANT	Provide link to the company's website where the Board Charter is disclosed. <ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended, 	

2. Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT	Adopted by the Board of Directors on 30 September 2017	
3. Board Charter is publicly available and posted on the company's website.	COMPLIANT		.
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	COMPLIANT	Provide information on or link/reference to a document showing company's insider trading policy.	The Corporation currently does not have an express insider trading policy. However, under the Corporation's New Manual on Corporate Governance, every director shall ensure that it conducts fair business transactions with the Corporation, and ensure

			that his personal interest does not conflict with the interests of the Corporation .
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Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.

Recommendation 3.1

1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	COMPLIANT	Provide information or link/reference to a document containing information on all the board committees established by the company. <ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 SEC FORM 17C –Current Report 2018(Date of Disclosure: July 26, 2018) 	
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Recommendation 3.2

1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal	COMPLIANT	Provide information or link/reference to a document containing information on the Audit Committee, including its functions. <ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended, 	
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<p>and external audit processes, and compliance with applicable laws and regulations.</p>		<p>par. 2.1, p.2 and par 2.1.1, p.3 Adopted by the Board of Directors on 30 September 2017</p> <p>Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended, par. 2.1.1, p.5 Adopted by the Board of Directors on 30 September 2017 • It is the Audit Committee's responsibility to recommend appointment and removal of an External Auditor. 	
<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>Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended, par.21, p.3 Adopted by the Board of Directors on 30 September 2017 • SEC FORM 17-C Current Report (Date of Disclosure July 26, 2018) 	
<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>Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.</p> <ul style="list-style-type: none"> • SEC FORM 17A - Annual Report 2018 • SEC FORM 20-IS - Definitive Information Statement 2018 	
<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the Chairman of the Audit Committee</p> <ul style="list-style-type: none"> • SEC FORM 17-C Current Report 2018(Date of Disclosure July 26, 2018) Disclosed on the Result of the Annual Stockholders' 	

Supplement to Recommendation 3.2			Meeting and Organizational Meeting, 26 July 2018.	
1. Audit Committee approves all non-audit services conducted by the external auditor.	COMPLIANT	Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.	<ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 • SEC FORM 17A - Annual Report 2018 Annex A 	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	COMPLIANT	Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.	<ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 • SEC FORM 17A - Annual Report 2018 Annex A 	
Optional: Recommendation 3.2				
1. Audit Committee meet at least four times during the year.	NON-COMPLIANT	Indicate the number of Audit Committee meetings during the year and provide proof		
2. Audit Committee approves the appointment and removal of the internal auditor.	COMPLIANT	Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.	<ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 • SEC FORM 17-C Current Report 2018 (Date of Disclosure July 26, 2018) Disclosed on the Result of the Annual Stockholders' Meeting and Organizational Meeting, 26 July 2018. • SEC FORM 20-IS - Definitive Information Statement 2018 	
Recommendation 3.3				
1. Board establishes a Corporate Governance Committee tasked	COMPLIANT	Provide information or reference to a document containing information on the Corporate Governance Committee, including its		

<p>to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.</p>		<p>functions</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended par.2.4, p.9 Adopted by the Board of Directors on 30 September 2017 <p>Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.</p> <p>Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended par.2.4, p.9 Adopted by the Board of Directors on 30 September 2017 	
<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended par.2.4, p.9 Adopted by the Board of Directors on 30 September 2017 	
<p>3. Chairman of the Corporate Governance Committee is an independent director.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended par.2.4, p.9 Adopted by the Board of Directors on 30 September 2017 	
<p>Recommendation 3.4</p>			
<p>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</p>	<p>NON-COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions</p>	<p>In the absence of BROC, the Audit Committee performs the</p>

<p>its functionality and effectiveness.</p>			<p>functions of the said committee. (SEC FORM Manual on Corporate Governance (MCG) Amended, p.5, (r)</p>
<p>2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p>	<p>NON-COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship</p>	<p>In the absence of BROC, the Audit Committee performs the functions of the said committee. (SEC FORM Manual on Corporate Governance (MCG) Amended, p.5, (r)</p>
<p>3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.</p>	<p>NON-COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the Chairman of the BROC</p>	<p>In the absence of BROC, the Audit Committee performs the functions of the said committee. (SEC FORM</p>

			<p>Manual on Corporate Governance (MCG) Amended, p.5, (f)</p>
<p>4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.</p>	<p>NON-COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.</p>	<p>In the absence of BROC, the Audit Committee performs the functions of the said committee. (SEC FORM Manual on Corporate Governance (MCG) Amended, p.5, (f)</p>
<p>Recommendation 3.5</p>			
<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>Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.</p> <ul style="list-style-type: none"> The Audit Committee, as authorized under the Manual (Par. 2.1.1(f)), performs the functions of the Related Party Transactions Committee. 	
<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>Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.</p> <ul style="list-style-type: none"> The Audit Committee, which is authorized to act as the RPT Committee is composed of at least 3 non-executive directors, 	

Recommendation 3.6		
<p>1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.</p>	COMPLIANT	<p>two of whom are independent, including the Chairman.</p> <p>Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.</p> <ul style="list-style-type: none"> • P.3, 2 of the Manual enumerates the Board Committees and their respective charters.
<p>2. Committee Charters provide standards for evaluating the performance of the Committees.</p>	NON-COMPLIANT	<p>Committee Charters provide standards for evaluating the performance of the Committees but the Board conducts a regular periodic self-assessment of its performance including the performance of the Committees (p.17, 6.1, Manual)</p>

3. Committee Charters were fully disclosed on the company's website.	COMPLIANT	Provide link to company's website where the Committee Charters are disclosed. <ul style="list-style-type: none"> • Company Website https://www.makatifinance.ph 	
Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.			
Recommendation 4.1			
1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele- /videoconferencing conducted in accordance with the rules and regulations of the Commission.	COMPLIANT	Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings. <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended par. 1.1, p.2 Adopted by the Board of Directors on 30 September 2017 Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings. <ul style="list-style-type: none"> • Advisement Letter on the Attendance of Directors in Board Meetings, filed annually with the SEC 	

2. The directors review meeting materials for all Board and Committee meetings.	COMPLIANT	In Board and Committee meetings, the director shall review meeting materials and if called for, ask the necessary questions or seek clarifications and explanations (SEC FORM Manual on Corporate Governance (MCG) Amended, par. 1.1, p.2)	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	COMPLIANT	Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended par.1.1, p.2 Adopted by the Board of Directors on 30 September 2017 	
Recommendation 4.2			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	COMPLIANT	Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously. <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended par.1.1, p.2 Adopted by the Board of Directors on 30 September 2017 Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies <ul style="list-style-type: none"> • SEC FORM ACGR – Annual Corporate Governance Report 2017 	
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	COMPLIANT	Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed. <ul style="list-style-type: none"> • The Manual requires that "A director should notify the Board before accepting a directorship in another company, which 	

		<ul style="list-style-type: none"> may conflict with or affect the performance of his duties as a Director of the Corporation.” There has been no instance where a Director accepted another Board position from the time of the adoption of the current Manual on Corporate Governance 	
Principle 5: The board should endeavour to exercise an objective and independent judgment on all corporate affairs			
Recommendation 5.1			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	COMPLIANT	Provide information or link/reference to a document containing information on the number of independent directors in the board <ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended par.5.2, p.15 Adopted by the Board of Directors on 30 September 2017 	
Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	COMPLIANT	Provide information or link/reference to a document containing information on the qualifications of the independent directors. <ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended par.5.2, p.15 Adopted by the Board of Directors on 30 September 2017 	
Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	COMPLIANT	Provide link/reference to a document containing information that directors are not constrained to vote independently. <ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 The discussion in the minutes of the meetings show that there are no such constraints. 	
Recommendation 5.3			

1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	COMPLIANT	Provide information or link/reference to a document showing the years IDs have served as such. <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 • SEC FORM ACGR – Annual Corporate Governance Report 2018 • SEC FORM 17C –Current Report (Date of Disclosure: July 03, 2018) Disclosure of Certification of Independent Director 	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	COMPLIANT	Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended par.5.5, p.16 Adopted by the Board of Directors on 30 September 2017 	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	COMPLIANT	Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting. <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 • None of the Independent Directors has reached its ninth year in the Board seat. 	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	COMPLIANT	Identify the company's Chairman of the Board and Chief Executive Officer <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 • SEC FORM 17C –Current Report 2018 (Date of Disclosure: July 	

		<p>26, 2018) Disclosure on the Results of the Annual Stockholders' Meeting and Organization Meeting, 26 July 2018</p> <ul style="list-style-type: none"> • Rene B. Benitez nominated and elected as Chairman of the Board • Maxcy Francisco Jose R. Borromeo nominated and elected as President 	
<p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer.</p> <p>Identify the relationship of Chairman and CEO.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended <p>Adopted by the Board of Directors on 30 September 2017</p> <ul style="list-style-type: none"> • Chairman of the Board and President are not related 	
<p>Recommendation 5.5</p>			
<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>Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended par.5.3, p.15 <p>Adopted by the Board of Directors on 30 September 2017</p> <p>Indicate if Chairman is independent.</p> <ul style="list-style-type: none"> • The Chairman is not an independent Director. The lead independent director is the most senior independent director. 	
<p>Recommendation 5.6</p>			
<p>1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the</p>	<p>COMPLIANT</p>	<p>Provide proof of abstention, if this was the case</p> <ul style="list-style-type: none"> • There are no readily available documents on this point. 	

transaction.			
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	Provide proof and details of said meeting, if any. Provide information on the frequency and attendees of meetings. <ul style="list-style-type: none"> The Audit Committee is Chaired by the lead independent director and all of its members are NED's. They meet with the external auditor and other heads at least once a year, to discussing audit, compliance and risk matters. 	
2. The meetings are chaired by the lead independent director.	COMPLIANT	<ul style="list-style-type: none"> The Chairman, Vice Chairman and Treasurer are likewise NED's who meet with the foregoing at least once per quarter. 	
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.		Provide name/s of company CEO for the past 2 years <ul style="list-style-type: none"> Max O. Borromeo, 2016 Maxcy Francisco Jose R. Borromeo, 2017 	
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	Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees <ul style="list-style-type: none"> There are no readily available documents on this point. 	
2. The Chairman conducts a self-assessment of his performance.	COMPLIANT		
3. The individual members conduct a self-assessment of their performance.	COMPLIANT		

4. Each committee conducts a self-assessment of its performance.	COMPLIANT		
5. Every three years, the assessments are supported by an external facilitator.	NON-COMPLIANT	Identify the external facilitator and provide proof of use of an external facilitator.	Within 3 years from the adoption of its current Manual on Corporate Governance, the company plans to engage the services of an external service provider.
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.	NON-COMPLIANT	Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders	This system is currently being developed by the Board.
2. The system allows for a feedback mechanism from the shareholders.	NON-COMPLIANT		
Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			

Recommendation 7.1

<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>NON-COMPLIANT</p>	<p>Provide information on or link/reference to the company's Code of Business Conduct and Ethics.</p>	<p>The Manual provides that The Board, at its discretion, may adopt a Code of Business Conduct and Ethics, which would provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings.</p> <p>The Board shall consider the adoption of the Code of</p>
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			Business Conduct and Ethics in future meetings.
2. The Code is properly disseminated to the Board, senior management and employees.	NON-COMPLIANT	Provide information on or discuss how the company disseminated the Code to its Board senior management and employees.	The Board has not yet adopted a Code at this time.
3. The Code is disclosed and made available to the public through the company website.	NON-COMPLIANT	Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed.	The Board has not yet adopted a Code at this time.
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	Provide information on or link/reference to a document containing information on the company's policy and procedure on curbing and penalizing bribery <ul style="list-style-type: none"> • Makati Finance Corporation Code of Conduct 	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	NON-COMPLIANT	Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.	The Board has not yet adopted a Code at this time.
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	NON-COMPLIANT	Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.	The Board has not yet adopted a Code at this time.
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>Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended par. 7.1, p.17 Adopted by the Board of Directors on 30 September 2017 	
<p>Supplement to Recommendations 8.1</p>			
<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>Indicate the number of days within which the consolidated and interim reports were published, distributed or made available from the end of the fiscal year and end of the reporting period, respectively.</p> <ul style="list-style-type: none"> • SEC FORM 17A - Annual Report 2018 • SEC FORM 17Q – Quarterly Report 2018 https://www.makatiifinance.ph/disclosure# • Company Website https://www.makatiifinance.ph 	
<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</p>	<p>COMPLIANT</p>	<p>Provide link or reference to the company's annual report where the following are disclosed:</p> <ul style="list-style-type: none"> • principal risks to minority shareholders associated with the identity of the company's controlling shareholders; • cross-holdings among company affiliates; and • any imbalances between the controlling shareholders' voting power and overall equity position in the company. <ul style="list-style-type: none"> • SEC FORM 17A - Annual Report 2018 	

overall equity position in the company.			
Recommendation 8.2			
3. 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	Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share. <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 • SEC FORM 23-A Disclosure on Initial Statement of Beneficial Ownership https://www.makatiifinance.ph <p>Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.</p> <ul style="list-style-type: none"> • SEC FORM 23-B Disclosure on Statement of Beneficial Ownership 	
4. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	COMPLIANT		
Supplement to Recommendation 8.2			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	COMPLIANT	Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders. Provide link or reference to the company's Conglomerate Map. <ul style="list-style-type: none"> • Company Website https://www.makatiifinance.ph • SEC FORM 17A - Annual Report 2018 • SEC FORM 20-IS - Definitive Information Statement 2018 • PSE Form 17-12 List of Top 100 Stockholders 2018 https://edgesubmit.pse.com.ph/main.html 	
Recommendation 8.3			

1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended. <ul style="list-style-type: none"> • Company Website https://www.makatifinance.ph • SEC FORM 17A - Annual Report 2018 • SEC FORM 20-IS - Definitive Information Statement 2018 	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended. <ul style="list-style-type: none"> • Company Website https://www.makatifinance.ph • SEC FORM 17A - Annual Report 2018 • SEC FORM 20-IS - Definitive Information Statement 2018 	
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	COMPLIANT	Disclose or provide link/reference to the company policy and practice for setting board remuneration <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	COMPLIANT	Disclose or provide link/reference to the company policy and practice for determining executive remuneration <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 	
3. Company discloses the remuneration on an individual basis, including termination and	COMPLIANT	Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.	

retirement provisions.		<ul style="list-style-type: none"> • SEC FORM 17A - Annual Report 2018 • SEC FORM 20-IS - Definitive Information Statement 2018 	
Recommendation 8.5			
<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>	COMPLIANT	<p>Disclose or provide reference/link to company's RPT policies</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended par.1.1, p.2 Adopted by the Board of Directors on 30 September 2017 <p>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</p> <ul style="list-style-type: none"> • Any director with a conflict of interest abstained from discussion on that particular matter, except in certain cases, to simply describe the transaction. 	
<p>2. Company discloses material or significant RPTs reviewed and approved during the year.</p>	COMPLIANT	<p>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</p> <ol style="list-style-type: none"> 1. name of the related counterparty; 2. relationship with the party; 3. transaction date; 4. type/nature of transaction; 5. amount or contract price; 6. terms of the transaction; 7. rationale for entering into the transaction; 8. the required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and 9. other terms and conditions <ul style="list-style-type: none"> • SEC FORM 17A - Annual Report 2018 • Full Disclosure in Notes to Financial Statements • SEC FORM 20-IS - Definitive Information Statement 2018 	

Supplement to Recommendation 8.5		
<p>1. Company requires directors to disclose their interests in transactions or any other conflict of interests.</p>	COMPLIANT	<p>Indicate where and when directors disclose their interests in transactions or any other conflict of interests.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended <p>Adopted by the Board of Directors on 30 September 2017</p>
Recommendation 8.6		
<p>1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.</p>	COMPLIANT	<p>Provide link or reference where this is disclosed</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended <p>Adopted by the Board of Directors on 30 September 2017</p>
<p>2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.</p>	NON-COMPLIANT	<p>Identify independent party appointed to evaluate the fairness of the transaction price</p> <p>Disclose the rules and procedures for evaluating the fairness of the transaction price, if any.</p>
Supplement to Recommendation 8.6		
<p>1. Company discloses the</p>	COMPLIANT	<p>Provide link or reference where these are disclosed.</p>
		<p>These transactions are subject to approval by the Board which has enough numbers of Independent Directors, and with the recommendation of Executive Committee.</p>

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.		<ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	Provide link to the company's website where the Manual on Corporate Governance is posted. <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 	
2. Company's MCG is submitted to the SEC and PSE.	COMPLIANT	<ul style="list-style-type: none"> • Company Website https://www.makatiifinance.ph 	
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	Provide proof of submission. <ul style="list-style-type: none"> • Company Website, under Corporate Governance https://www.makatiifinance.ph/governance 	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:	COMPLIANT	Provide link or reference to the company's Annual Report containing the said information. <ul style="list-style-type: none"> • SEC FORM 17A - Annual Report 2018 	

a. Corporate Objectives	COMPLIANT	<ul style="list-style-type: none"> • Company Website https://www.makatiifinance.ph • Attendance Letter on the Board meetings held in 2018 • SEC FORM 20-15 - Definitive Information Statement 2018 		
b. Financial performance indicators	COMPLIANT			
c. Non-financial performance indicators	COMPLIANT			
d. Dividend Policy	COMPLIANT			
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	COMPLIANT			
f. Attendance details of each director in all directors meetings held during the year	COMPLIANT			
g. Total remuneration of each member of the board of directors	COMPLIANT			
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.	COMPLIANT			

3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	COMPLIANT		
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	COMPLIANT		
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).	COMPLIANT		
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	Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor. <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended, pars. (j), p.5 	

2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	COMPLIANT	Adopted by the Board of Directors on 30 September 2017 Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor. <ul style="list-style-type: none"> 100% of all shareholders present approved the appointment of the external auditor as recommended by the Audit Committee. 	
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	COMPLIANT	Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.	
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	COMPLIANT	Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years. <ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 	
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: <ol style="list-style-type: none"> assessing the integrity and independence of external auditors; exercising effective oversight to review and monitor the external auditor's independence 	COMPLIANT	Provide link/reference to the company's Audit Committee Charter <ul style="list-style-type: none"> p. 3, (d)(c), Manual The section in the Manual is effectively the Audit Committee Charter. 	

<p>c. and objectivity; and exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</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>Provide link/reference to the company's Audit Committee Charter</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended par. 2.1 Adopted by the Board of Directors on 30 September 2017. 	
Supplement to Recommendations 9.2			
<p>1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.</p>	<p>COMPLIANT</p>	<p>Provide link/reference to the company's Audit Committee Charter</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended par. 2.1 Adopted by the Board of Directors on 30 September 2017 	
<p>2. Audit Committee ensures that the external auditor has adequate quality control procedures.</p>	<p>COMPLIANT</p>	<p>Provide link/reference to the company's Audit Committee Charter</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended par. 2.1 Adopted by the Board of Directors on 30 September 2017 	
Recommendation 9.3			
<p>3. Company discloses the nature of non-audit services performed by its external auditor in the</p>	<p>COMPLIANT</p>	<p>Disclose the nature of non-audit services performed by the external auditor, if any.</p> <ul style="list-style-type: none"> • SEC FORM 17A - Annual Report 2018 	

Annual Report to deal with the potential conflict of interest.			
4. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	COMPLIANT	<p>Provide link or reference to guidelines or policies on non-audit services</p> <ul style="list-style-type: none"> The Company has not engaged any non-audit services with the external auditor 	
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	NON-COMPLIANT	Provide information on audit and non-audit fees paid.	The Company has not engaged any non-audit services with the external auditor.
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	COMPLIANT	<p>Provide information on company's external auditor, such as:</p> <ol style="list-style-type: none"> Name of the audit engagement partner; Accreditation number; Date Accredited; Expiry date of accreditation; and Name, address, contact number of the audit firm. <ul style="list-style-type: none"> ROXAS CRUZ TAGLE AND CO. SEC Accreditation No. 0007-FR-5 (Group A) July 05, 2018, valid until July 04, 2021 	

<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>NON-COMPLIANT</p>	<ul style="list-style-type: none"> • Mr. Donato P. Dango Partner CPA License No. 0029087 SEC Accreditation No. 0043-AR-5 (Group A) August 16, 2018, valid until August 15, 2021 • ROXAS CRUZ TAGLE AND CO. 2/F Multinational Bancorporation Centre 6805 Ayala Avenue Makati City 1226 Telephone No. +63 (2) 844 2016 <p>Provide information on the following:</p> <ol style="list-style-type: none"> 1. Date it was subjected to SOAR inspection, if subjected; 2. Name of the Audit firm; and 3. Members of the engagement team inspected by the SEC. 	<p>To the best of its knowledge, the Corporation is not aware that its external auditor agreed to be subject to the SOAR inspection program conducted by the SEC.</p>
<p>Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.</p>			
<p>Recommendation 10.1</p>			
<p>1. Board has a clear and focused policy on the disclosure of non-</p>	<p>NON-COMPLIANT</p>	<p>Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.</p>	<p>The Corporation</p>

financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.			currently does not adopt a policy on disclosure of non-financial information, including EESG issues.
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	NON-COMPLIANT	Provide link to Sustainability Report, if any. Disclose the standards used.	The Corporation currently does not adopt a policy on disclosure of non-financial information, including EESG issues.
Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.			
Recommendation 11.1			
1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	COMPLIANT	Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.) Provide links, if any. <ul style="list-style-type: none">• Company Website https://www.makatiifinance.ph	

Supplemental to Principle 11		
1. Company has a website disclosing up-to-date information on the following:	COMPLIANT	Provide link to company website <ul style="list-style-type: none"> SEC Form 17Q – 3rd Quarter 2018 under Company Disclosures – SEC Filings https://www.makatiifinance.ph/pdf/Sec%20Form%2017-Q/SEC%20FORM%2017-Q-%203rd%20Qtr.%202018.pdf Company Website https://www.makatiifinance.ph SEC Form 17A Annual Report 2018 under Company Disclosures – SEC Filings https://www.makatiifinance.ph/pdf/Sec%20Form%2017-A/SEC%20FORM%2017A%20(2018).pdf Notice of ASM under Company Disclosures – SEC Filings https://www.makatiifinance.ph/pdf/ASM/Notice%20of%20ASM%202018%20Amended%20June%2013.%202018.pdf
a. Financial statements/reports (latest quarterly)	COMPLIANT	
b. Materials provided in briefings to analysts and media	COMPLIANT	
c. Downloadable annual report	COMPLIANT	
d. Notice of ASM and/or SSM	COMPLIANT	
e. Minutes of ASM and/or SSM	NON-COMPLIANT	
f. Company's Articles of Incorporation and By-Laws	COMPLIANT	In the process of establishing.
Additional Recommendation to Principle 11		
1. Company complies with SEC-prescribed website template.	COMPLIANT	<ul style="list-style-type: none"> Company Website https://www.makatiifinance.ph
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>List quality service programs for the internal audit functions.</p> <p>Indicate frequency of review of the internal control system</p>

<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>COMPLIANT</p>	<p>Identify International framework used for Enterprise Risk Management</p> <p>Provide information or reference to a document containing information on:</p> <ol style="list-style-type: none"> 1. Company's risk management procedures and processes 2. Key risks the company is currently facing 3. How the company manages the key risks <p>Indicate frequency of review of the enterprise risk management framework.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 • SEC FORM 17A - Annual Report 2018 Notes to Financial Statements • SEC FORM 20-IS - Definitive Information Statement 2018 	
<p>Supplement to Recommendations 12.1</p>			
<p>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.</p>	<p>COMPLIANT</p>	<p>Provide information on or link/reference to a document containing the company's compliance program covering compliance with laws and relevant regulations.</p> <p>Indicate frequency of review.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 • SEC FORM 17A - Annual Report 2018 Notes to Financial Statements • SEC FORM 20-IS - Definitive Information Statement 2018 	
<p>Recommendation 12.2</p>			
<p>1. Company has in place an independent internal audit</p>	<p>COMPLIANT</p>	<p>Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.</p>	

function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.		<ul style="list-style-type: none"> • In-house Internal Audit Group 	
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	COMPLIANT	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities. <ul style="list-style-type: none"> • Mr. Francisco C. Eizmendi, Jr. • SEC FORM 20-IS - Definitive Information Statement 2018 	
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	COMPLIANT		
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	COMPLIANT	Identify qualified independent executive or senior management personnel, if applicable. <ul style="list-style-type: none"> • In-house Internal Audit Group 	
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	NON-COMPLIANT	Provide information on company's risk management function.	The Corporation currently does not

			require assistance of external technical support in risk management.
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	NON-COMPLIANT	Identify source of external technical support, if any.	The Corporation currently does not require assistance of external technical support in risk management.
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	NON-COMPLIANT	Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.	The Corporation does not have a Chief Risk Officer.
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	NON-COMPLIANT		The Corporation does not have a Chief Risk Officer.
Additional Recommendation to Principle 12			

1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	COMPLIANT	Provide link to CEO and CAE's attestation	
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	COMPLIANT	Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed. <ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended, pars. 10.1, p.18 Adopted by the Board of Directors on 30 September 2017 	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	COMPLIANT	Provide link to company's website <ul style="list-style-type: none"> Company Website https://www.makatiifinance.ph 	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	COMPLIANT	<ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Adopted by the Board of Directors on 30 September 2017 	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	COMPLIANT	Provide information on all classes of shares, including their voting rights if any. <ul style="list-style-type: none"> Common Shares, with each share having the equivalent of one vote SEC FORM Manual on Corporate Governance (MCG) Adopted by the Board of Directors on 30 September 2017 	

3. Board has an effective, secure, and efficient voting system.	COMPLIANT	Provide link to voting procedure. Indicate if voting is by poll or show of hands. <ul style="list-style-type: none"> Definitive Information Statement (under Voting Procedures). Unless required by law, or upon motion by any stockholder, voting need not be by ballot and will be done by show of hands and counted manually by the Corporate Secretary. 	
4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	COMPLIANT	Provide information on shareholder voting mechanisms such as supermajority or "majority of minority", if any. <ul style="list-style-type: none"> The company adopts the voting mechanism on cumulative voting on the election of Directors, as required under the law. 	
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	COMPLIANT	Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution) <ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	COMPLIANT	Provide information or link/reference to the policies on treatment of minority shareholders <ul style="list-style-type: none"> The minority shareholders representing at least 15% of outstanding shares shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes. (p. 19, (e), Manual) 	
7. Company has a transparent	COMPLIANT	Provide information on or link/reference to the company's dividend	

and specific dividend policy.		<p>Policy.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 <p>Indicate if company declared dividends. If yes, indicate the number of days within which the dividends were paid after declaration. In case the company has offered scrip-dividends, indicate if the company paid the dividends within 60 days from declaration</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 • SEC FORM 20-IS - Definitive Information Statement 2018 • The Company declared dividends and were paid dividends within 60 days after declaration. 	
Recommendation 13.2			
<p>1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.</p>	COMPLIANT	<p>Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out</p> <p>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</p> <p>Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS)</p> <ul style="list-style-type: none"> • All materials for the Annual Stockholders' Meeting were sent out at least 28 days before the meeting. • Notice of Agenda of Annual Stockholders' Meeting Company Website https://www.makatiifinance.ph • SEC FORM 20-IS - Definitive Information Statement 2018 https://www.makatiifinance.ph/pdf/Sec%20Form%20IS/SEC <p>Under Company Disclosure</p>	

			%20Form%2020- IS%20Definitive%20Information%20Statement%202018%20. pdf	
Supplemental to Recommendation 13.2				
1. Company's Notice of Annual Stockholders' Meeting contains the following information:			Provide link or reference to the company's notice of Annual Shareholders' Meeting <ul style="list-style-type: none"> Company Website https://www.makatiifinance.ph Under Company Disclosures/Notice of Annual Stockholders' Meeting 2018	
2. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	COMPLIANT		<ul style="list-style-type: none"> Company Website https://www.makatiifinance.ph Under Company Disclosures/SEC Filings/Information Statement-SEC Form 20-IS/Definitive Information Statement 2018	
3. Auditors seeking appointment/re-appointment	COMPLIANT		<ul style="list-style-type: none"> Company Website https://www.makatiifinance.ph Under Company Disclosures/SEC Filings/Information Statement-SEC Form 20-IS/Definitive Information Statement 2018	
4. Proxy documents	COMPLIANT		<ul style="list-style-type: none"> Company Website https://www.makatiifinance.ph Under Company Disclosures/SEC Filings/Information Statement-SEC Form 20-IS/Definitive Information Statement 2018	
Optional: Recommendation 13.2				
1. Company provides rationale for the agenda items for the annual stockholders meeting	COMPLIANT		Provide link or reference to the rationale for the agenda items <ul style="list-style-type: none"> Company Website https://www.makatiifinance.ph Under Company Disclosures/SEC Filings/Information Statement-SEC Form 20-IS/Definitive Information Statement 2018	
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>COMPLIANT</p>	<p>Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.</p> <ul style="list-style-type: none"> • The foregoing are reflected in the minutes. 	
<p>2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.</p>	<p>COMPLIANT</p>	<p>Provide link to minutes of meeting in the company website.</p> <p>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.</p> <p>Indicate also if the voting on resolutions was by poll.</p> <p>Include whether there was opportunity to ask question and the answers given, if any.</p> <ul style="list-style-type: none"> • The foregoing are reflected in the minutes. 	
<p>Supplement to Recommendation 13.3</p>			
<p>1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.</p>	<p>COMPLIANT</p>	<p>Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting</p>	
<p>Recommendation 13.4</p>			
<p>1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.</p>	<p>COMPLIANT</p>	<p>Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes</p> <p>Under Par. 10.1.6 of the Manual, the Board provides the shareholders an option to avail of an alternative dispute mechanism, to be determined by the Board on a case-to-case basis.</p>	

<p>2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.</p>	<p>COMPLIANT</p>	<p>Provide link/reference to where it is found in the Manual on Corporate Governance</p> <ul style="list-style-type: none"> Par. 10.1.16 of the Manual states that the Board may make available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner. Such mechanism shall be determined by the Board on a case-to-case basis (p.21, 10.1.6, Manual 	
<p>Recommendation 13.5</p>			
<p>1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.</p>	<p>COMPLIANT</p>	<p>Disclose the contact details of the officer/office responsible for investor relations, such as:</p> <ol style="list-style-type: none"> Name of the person Telephone number Fax number E-mail address <ul style="list-style-type: none"> MARCOS E. LAROSA +63 (2) 751 7132 mlarosac@makatifinance.com.ph 	
<p>2. IRO is present at every shareholder's meeting.</p>	<p>COMPLIANT</p>	<p>Indicate if the IRO was present during the ASM.</p> <ul style="list-style-type: none"> Yes, Marcos E. Larosa is concurrently the Compliance Officer of the Corporation 	

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>Provide information on how anti-takeover measures or similar devices were avoided by the board, if any.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 30 September 2017 	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	COMPLIANT	<p>Indicate the company's public float.</p> <ul style="list-style-type: none"> • 19.79% 	
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	COMPLIANT	<p>Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM.</p> <p>A mechanism for employee participation shall be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance process. The Board should establish policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance. (p. 23, 12, Manual)</p> <p>It is the company's policy to be open to any shareholder concern even if the same is communicated outside of the formal shareholders' meetings.</p>	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	NON-COMPLIANT	<p>Disclose the process and procedure for secure electronic voting in absentia, if any.</p>	<p>There is no practical system or technology</p>

			available for this sole purpose.
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Duties to Stakeholders

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

Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	COMPLIANT	Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders. <ul style="list-style-type: none"> The company has identified its stakeholders, including customers, employees, suppliers, shareholders, investors, creditors, the community the company operates in, society, the government, regulators, competitors, external auditors, and those similarly situated In formulating the company's strategic and operational decisions affecting its wealth, growth and sustainability, due consideration is given to those who have an interest in the company and are directly affected by its operations. (p.21, 10.1.7, Manual) 	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	COMPLIANT	Identify policies and programs for the protection and fair treatment of company's stakeholders <ul style="list-style-type: none"> Under Par. 10.1.17 of the Manual, in formulating the company's strategic and operational decisions affecting its wealth, growth and sustainability, due consideration is given to those who have an interest in the company and are directly affected by its operations, particularly its stakeholders. 	
Recommendation 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to	COMPLIANT	Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of	

<p>communicate with the company and to obtain redress for the violation of their rights.</p>		<p>their rights.</p> <p>Provide information on whistle blowing policy, practices and procedures for stakeholders</p> <ul style="list-style-type: none"> Under Par. 12.3 it is the policy of the company The Board shall establish a suitable framework for whistle blowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation and to have a direct access to an independent member of the Board or a unit created to handle whistle blowing concerns. The Board should be conscientious in establishing the framework, as well as in supervising and ensuring its enforcement. (p. 12, 12.3, Manual 	
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>	COMPLIANT	<p>Provide information on the alternative dispute resolution system established by the company.</p> <ul style="list-style-type: none"> Under Par. 10.1.6 of the Manual, the Board provides the shareholders an option to avail of an alternative dispute mechanism, to be determined by the Board on a case-to-case basis. 	
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</p>	COMPLIANT	<p>Disclose any requests for exemption by the company and the reason for the request.</p> <ul style="list-style-type: none"> No such exemption is sought. 	

taken to finally comply with the applicable law, rule or regulation.			
2. Company respects intellectual property rights.	COMPLIANT	Provide specific instances, if any • The Company respects the law and rights of all stakeholders	
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	Provide information on or link/reference to company policies, programs and procedures that encourage employee participation. • Company Website https://www.makatiifinance.ph	
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.	NON-COMPLIANT	Disclose if company has in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.	
2. Company has policies and practices on health, safety and welfare of its employees.	COMPLIANT	Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any. • EMPLOYEE'S HANDBOOK	

3. Company has policies and practices on training and development of its employees.	COMPLIANT	Disclose and provide information on policies and practices on training and development of employees. Include information on any training conducted or attended. <ul style="list-style-type: none"> • CREDIT AND COLLECTION TRAINING • CUSTOMER'S SERVICE TRAINING • GENERAL ORIENTATION TRAINING • LEADERSHIP TRAINING 	
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	COMPLIANT	Identify or provide link/reference to the company's policies, programs and practices on anti-corruption <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended, par. 12.2, p.23 Adopted by the Board of Directors on 30 September 2017 • MAKATI FINANCE CORPORATION CODE OF CONDUCT 	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	Identify how the board disseminated the policy and program to employees across the organization <ul style="list-style-type: none"> • Through issuance of business memorandum 	
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	COMPLIANT	Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices. <ul style="list-style-type: none"> • MAKATI FINANCE CORPORATION CODE OF CONDUCT Include any finding of violations of the company policy.	
Recommendation 15.3			

<p>1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation</p>	<p>COMPLIANT</p>	<p>Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees.</p> <p>Indicate if the framework includes procedures to protect the employees from retaliation.</p> <p>Provide contact details to report any illegal or unethical behavior.</p> <ul style="list-style-type: none"> • Whistle Blowing Policy 	
<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.</p>	<p>COMPLIANT</p>	<ul style="list-style-type: none"> • Whistle Blowing Policy 	
<p>3. Board supervises and ensures the enforcement of the whistleblowing framework.</p>	<p>COMPLIANT</p>	<p>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing</p> <ul style="list-style-type: none"> • Whistle Blowing Policy 	
<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.</p>			
<p>Recommendation 16.1</p>			
<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</p>	<p>COMPLIANT</p>	<p>Provide information or reference to a document containing information on the company's community involvement and environment-related programs.</p>	

<p>advancement of the society where it operates.</p>			
<p>Optional: Principle 16</p>			
<p>1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development</p>	<p>COMPLIANT</p>	<p>Identify or provide link/reference to policies, programs and practices to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development.</p>	
<p>2. Company exerts effort to interact positively with the communities in which it operates</p>	<p>COMPLIANT</p>	<p>Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.</p>	

SIGNATURES

Pursuant to the requirements of the Securities Exchange Commission, this Integrated Annual Corporate Governance Report (I-ACGR) is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Makati on _____..

By:



RENE B. BENITEZ
Chairman of the Board



MAX O. BORROME0
Vice-Chairman



FRANCISCO C. EIZMENDI JR.
Independent Director



MAXCY FRANCISCO JOSE R. BORROME0
President



ALAN MICHAEL R. CRUZ
Independent Director



LAWRENCE HOCK LEONG EE
Independent Director



MARCOS E. LAROSA
CFO/Compliance Officer



DANILO ENRIQUE O. CO
Corporate Secretary

MAY 28 2019

SUBSCRIBED AND SWORN to before me this _____ day of _____ 2019 , affiant(s) exhibiting to me their _____, as follows:

<u>NAME/NO.</u>	<u>GOVT.I.D.</u>	<u>PLACE OF ISSUE</u>
RENE B. BENITEZ	TIN:137-438-326	
MAX O. BORROME0	TIN: 108-479-305	
FRANCISCO C. EIZMENDI JR.	TIN: 119-132-505	
ALAN MICHAEL R. CRUZ	TIN : 103-569-603	
LAWRENCE HOCK LEONG EE	TIN : 134-866-959	
MAXCY FRANCISCO JOSE R. BORROME0	TIN : 153-065-629	
MARCOS E. LAROSA	TIN : 206-361-568	
DANILO ENRIQUE O. CO	TIN : 134-866-959	

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Series of 2019

ATTY. VIRGINO R. BATALLA
NOTARY PUBLIC FOR MAKATI CITY
APPT. NO. M-87- UNTIL DEC. 31, 2020
ROLL OF ATTY. NO. 48348
MCLE COMPLIANCE NO. V-0026676/4-11-2018
IBP O.R No. 706762-LIFETIME MEMBER JAN. 29, 2007
PTR No. 7333020- JAN 03, 2019- MAKATI CITY
EXECUTIVE BLDG. CENTER MAKATI AVE., COR., JUPITER ST.
MAKATI CITY