





SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT



GENERAL INSTRUCTIONS

**A. Use of Form I-ACGR**

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

**B. Preparation of Report**

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

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

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

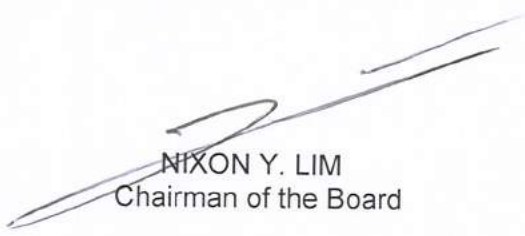


## SEC FORM – I-ACGR

### INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended 31 December 2018
2. SEC Identification Number 23736
3. BIR Tax Identification No. 000-099-128
4. Exact name of issuer as specified in its charter Steniel Manufacturing Corporation
5. Metro Manila, Philippines  
Province, Country or other jurisdiction of  
incorporation or organization
6.  (SEC Use Only)  
Industry Classification Code:
7. Gateway Business Park, Javalera, Gen. Trias, Cavite  
Address of principal office
8. 4107  
Postal Code
8. (46) 433-0066  
Issuer's telephone number, including area code
9. N/A  
Former name, former address, and former fiscal year, if changed since last report.

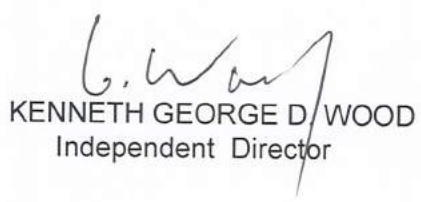
Pursuant to the requirements of the Securities Regulation Code, this Integrated Annual Corporate Governance Report is signed on behalf of Steniel Manufacturing Corporation thereunto, duly authorized in Pasig City, on APR 15, 2019.



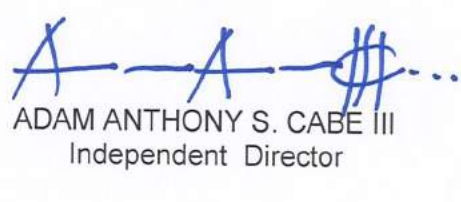
NIXON Y. LIM  
Chairman of the Board




MARK O. VERGARA  
President and CEO



KENNETH GEORGE D. WOOD  
Independent Director



ADAM ANTHONY S. CABE III  
Independent Director



RHEA M. ALARCON  
Independent Director



DANISE O. BANIQUED  
Compliance Officer



MIA ORMITA  
Corporate Secretary

SUBSCRIBED AND SWORN TO before me, this APR 15 2019, the following  
affiants exhibiting to me their proof of identity:

Name	Passport No.	Expiry Date	Place of Issue
Nixon Y. Lim	TIN 117-748-507		
Mark O. Vergara	TIN 153-189-541		
Kenneth George D. Wood	TIN 100-430-130		
Adam Anthony S. Cabe III	Passport No. EC4511010	26 June 2020	DFA NCR East
Rhea Alarcon	Drivers' License No. D16-92-058838	3 January 2024	
Danise Baniqued	Passport No. P4896756A	29 October 2022	DFA Manila
Mia M. Ormita	TIN 906-477-586		

Doc. No. 494 ;  
Page No. 100 ;  
Book No. 11 ;  
Series of 2019

**VINA MARIE S. VILLARROYA**  
Appointment No. 226 (2018-2019)  
Notary Public for Pasig City  
Until December 31, 2019  
Attorney's Roll No. 68536  
33rd Floor, The Orient Square  
F. Ortigas, Jr. Road, Ortigas Center, Pasig City  
PTR No. 5212718; 1.04.19; Pasig City  
IBP No. 097515; 01.03.19; RSM  
MCLE Compliance No. VI-0012267; 4.14.22

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>The Board's Governance Responsibilities</b>			
Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
<b>Recommendation 1.1</b>			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	<b>COMPLIANT</b>	The qualifications, competencies and expertise of the members of the Board of Directors are provided in the Company's Information Statement.	
2. Board has an appropriate mix of competence and expertise.	<b>COMPLIANT</b>	Directors remain qualified for their positions throughout their term.	
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	<b>COMPLIANT</b>	<p>Please refer to the Company's Definitive Information Statement for the Annual Stockholder's Meeting on 31 July 2018 which can be accessed as CR04249-2018 dated July 3, 2018, at:  <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a></p> <p>Please also see pages 4 to 10 of the Company's Revised Manual on Corporate Governance which can be accessed as CR04103-2017 dated May 31, 2017, at:  <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a></p>	

Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	<b>COMPLIANT</b>	Five out of seven members of the Board are non-executive directors: 1. Nixon Y. Lim – Chairman 2. Esteban C. Ku – Director 3. Kenneth George D. Wood – Independent Director 4. Adam Anthony Cabe III – Independent Director 5. Rhea Alarcon – Independent Director	
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	<b>COMPLIANT</b>	Please see page 9 of the Company's Revised Manual on Corporate Governance which can be accessed as CR04103-2017 dated May 31, 2017, at:  <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	
2. Company has an orientation program for first time directors.	<b>COMPLIANT</b>	The Company provides orientation to first-time directors. Directors attend annual corporate governance trainings.	
3. Company has relevant annual continuing training for all directors.	<b>COMPLIANT</b>		
Recommendation 1.4			
1. Board has a policy on board diversity.	<b>COMPLIANT</b>	Please see page 8 of SMC's Revised Manual on Corporate Governance	

		Which can be accessed as CR04103-2017 dated May 31, 2017, at:  <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	
<b>Optional: Recommendation 1.4</b>			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.		Provide information on or link/reference to a document containing the company's policy and measurable objectives for implementing board diversity.  Provide link or reference to a progress report in achieving its objectives.	
<b>Recommendation 1.5</b>			
1. Board is assisted by a Corporate Secretary.	<b>COMPLIANT</b>	Atty. Mia M. Ormita is the Corporate Secretary of the Company. The office of the Compliance Officer is separate from the office of the Corporate Secretary. The Corporate Secretary is not a member of the Board of Directors.  Please refer to the disclosure of the results of the latest Board organizational meeting which can be accessed as C05213-2018 dated August 1, 2018, at: <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	
2. Corporate Secretary is a separate individual from the Compliance officer.	<b>NON-COMPLIANT</b>		
3. Corporate Secretary is not a member of the Board of Directors.	<b>COMPLIANT</b>		
4. Corporate Secretary attends training/s on corporate governance.	<b>COMPLIANT</b>	The Corporate Secretary attends annual trainings on corporate governance.	



<b>Optional: Recommendation 1.5</b>			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.		Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting	
<b>Recommendation 1.6</b>			
1. Board is assisted by a Compliance Officer.	<b>COMPLIANT</b>	Ms. Danise C. Baniqued is the Compliance Officer of the Company.	While Ms. Baniqued is not a Senior Vice President of the Company, she has held the position of Compliance Officer for the past four years and has adequate stature to implement regulatory and compliance matters.
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	<b>NON-COMPLIANT</b>		
3. Compliance Officer is not a member of the board.	<b>COMPLIANT</b>		
4. Compliance Officer attends training/s on corporate governance.	<b>COMPLIANT</b>	The Compliance Officer attends annual trainings on corporate governance.	
<b>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.</b>			
<b>Recommendation 2.1</b>			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	<b>COMPLIANT</b>	Please see page 5 of the Company's Revised Manual on Corporate Governance which can be accessed as CR04103-2017 dated May 31, 2017, at:  <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	
<b>Recommendation 2.2</b>			

1. Board oversees the development, review and approval of the company's business objectives and strategy.	<b>COMPLIANT</b>	The directors conduct regular meetings as necessary to review and monitor the Company's business objectives and strategy. Management implements the objectives and strategies set by the Board.	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	<b>COMPLIANT</b>		
<b>Supplement to Recommendation 2.2</b>			
1. Board has a clearly defined and updated vision, mission and core values.	<b>COMPLIANT</b>	The Company's vision, mission, and core values are provided on its website which can be accessed at <a href="http://www.steniel.com.ph/wordpress/?page_id=169">http://www.steniel.com.ph/wordpress/?page_id=169</a> .	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	<b>COMPLIANT</b>	The Board holds regular meetings as necessary during which management performance is assessed.	
<b>Recommendation 2.3</b>			
1. Board is headed by a competent and qualified Chairperson.	<b>COMPLIANT</b>	Please see page 5 of the Definitive Information Statement for the Annual Stockholder's Meeting on 31 July 2018 which can be accessed as CR04249-2018 dated July 3, 2018, at: <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	
<b>Recommendation 2.4</b>			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	<b>NON-COMPLIANT</b>		Due to the limited operations of the Company, a succession planning program for directors, key officers and management has not been adopted but will be considered by the Board in line with

			future business opportunities, in order to attract competent and qualified individuals.
2. Board adopts a policy on the retirement for directors and key officers.	<b>NON-COMPLIANT</b>		Due to the limited operations of the Company, a succession planning program for directors, key officers and management has not been adopted but will be considered by the Board in line with future business opportunities, in order to attract competent and qualified individuals.
<b>Recommendation 2.5</b>			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	<b>COMPLIANT</b>	Please see page 6 of the Company's Revised Manual on Corporate Governance which can be accessed as CR04103-2017 dated May 31, 2017, at:	
2. Board adopts a policy specifying the relationship between remuneration and performance.	<b>COMPLIANT</b>	<a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a> .	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	<b>COMPLIANT</b>	Please refer to the Company's Definitive Information Statement for the Annual Stockholder's Meeting on 31 July 2018 which can be accessed as CR04249-2018 dated July 3, 2018, at: <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	
<b>Optional: Recommendation 2.5</b>			
1. Board approves the remuneration of senior executives.		Provide proof of board approval	

2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.		Provide information on or link/reference to a document containing measurable standards to align performance-based remuneration with the long-term interest of the company.	
<b>Recommendation 2.6</b>			
1. Board has a formal and transparent board nomination and election policy.	<b>COMPLIANT</b>	Please see page 14 and 17 of the Company's Revised Manual on Corporate Governance which can be accessed as CR04103-2017 dated May 31, 2017, at:  <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a> .	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	<b>COMPLIANT</b>		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	<b>COMPLIANT</b>	Please refer to the Company's Definitive Information Statement for the Annual Stockholder's Meeting on on 31 July 2018 which can be accessed as CR04249-2018 dated July 3, 2018, at:  <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	
4. Board nomination and election policy includes how the board shortlists candidates.	<b>COMPLIANT</b>		
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.	<b>NON-COMPLIANT</b>	The Company's By-Laws provide for a nomination period.	For discussion of the Board.
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	<b>COMPLIANT</b>		

Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.		Identify the professional search firm used or other external sources of candidates	
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	<b>COMPLIANT</b>	Please see pages 23 and 24 of the Company's Revised Manual on Corporate Governance Which can be accessed as CR04103-2017 dated May 31, 2017, at:  <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpr_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpr_id=164</a> .	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	<b>COMPLIANT</b>		
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	<b>COMPLIANT</b>		
Supplement to Recommendations 2.7			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	<b>NON-COMPLIANT</b>	Provide information on a materiality threshold for RPT disclosure and approval, if any.  Provide information on RPT categories	Due to the limited operations of the Company, materiality thresholds and approvals will be considered by the Board upon increase in the volume of business as well as future business prospects. RPT transactions, if any, are presented for approval and confirmation of stockholders, and are disclosed in the Company's information statement.

<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><b>NON-COMPLIANT</b></p>	<p>Provide information on voting system, if any.</p>	<p>There is currently no provision in the By-Laws that requires approval by a majority of non-related party shareholders of specific types of related party transactions. At annual meetings, all acts of the Board and management are presented to the stockholders for ratification.</p>
<p><b>Recommendation 2.8</b></p>			
<p>1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p><b>COMPLIANT/ NON-COMPLIANT as to appointment of Chief Risk Officer and Chief Audit Executive</b></p>	<p>Please see the Company's Revised Manual on Corporate Governance which can be accessed as CR04103-2017 dated May 31, 2017, at:  <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>.</p>	<p>Due to the Company's limited operations, the Company currently has no Chief Risk Officer and Chief Audit Executive. The Board handles the risk management functions. The Board will consider filling up these positions when the Company is able to take on additional volume of business.</p>
<p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p><b>COMPLIANT</b></p>	<p>The assessment process for Senior Management involves presentation of current projects and undertakings to the Board. The Board discusses the target inputs and accomplishments based on the designated timetable. For ongoing endeavors, assessments are held through updates given by Management and reviewed against specified metrics to monitor progress.</p>	
<p><b>Recommendation 2.9</b></p>			
<p>1. Board establishes an effective performance management framework that ensures that Management's</p>	<p><b>NON-COMPLIANT</b></p>	<p>Provide information on or link/reference to a document containing the Board's performance</p>	<p>Due to the limited operations of the Company, a performance management framework is not yet in place. However, assessment of Management's</p>

performance is at par with the standards set by the Board and Senior Management.		management framework for management and personnel.	performance are reviewed against specified targets imposed by the Board.
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.	<b>NON-COMPLIANT</b>		Due to the limited operations of the Company, a performance management framework is not yet in place. However, assessment of Management's performance are reviewed against specified targets imposed by the Board.
<b>Recommendation 2.10</b>			
1. Board oversees that an appropriate internal control system is in place.	<b>COMPLIANT</b>	Authority from the Board is required.	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	<b>NON-COMPLIANT</b>		For review and discussion of the Board.
3. Board approves the Internal Audit Charter.	<b>NON-COMPLIANT</b>	Provide reference or link to the company's Internal Audit Charter	The Board is currently formulating the Company's Internal Audit Charter.
<b>Recommendation 2.11</b>			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	<b>NON-COMPLIANT</b>		Due to the limited operations of the Company, an ERM framework is not yet in place. However, the Board will consider an ERM framework following increase in volume of business.
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.	<b>NON-COMPLIANT</b>		Due to the limited operations of the Company, an ERM framework is not yet in place. However, the Board will consider an ERM framework following increase in volume of business.

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.	<b>NON-COMPLIANT</b>		The Company is in the process of drafting a Board Charter.
2. Board Charter serves as a guide to the directors in the performance of their functions.	<b>NON-COMPLIANT</b>		The Company is in the process of drafting a Board Charter.
3. Board Charter is publicly available and posted on the company's website.	<b>NON-COMPLIANT</b>		The Company is in the process of drafting a Board Charter which will be uploaded on the Company's website.
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	<b>NON-COMPLIANT</b>	<p>Please see page 15 and 29 of the Company's Revised Manual on Corporate Governance which can be accessed as CR04103-2017 dated May 31, 2017, at:</p> <p><a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>.</p> <p>Directors are appraised on the insider trading regulations under the Securities Regulation Code and under the Disclosure Rules of the Philippine Stock Exchange.</p>	
Optional: Principle 2			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.		Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any.	
2. Company discloses the types of decision requiring board of directors' approval.		Indicate the types of decision requiring board of directors'	



		approval and where there are disclosed.	
Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	<b>COMPLIANT</b>	<p>Please see pages 12 to 24 of the Company's Revised Manual on Corporate Governance which can be accessed as CR04103-2017 dated May 31, 2017, at:</p> <p><a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>.</p> <p>Please also refer to the disclosure of the results of the latest Board organizational meeting which can be accessed as C05213-2018 dated August 1, 2018, at: <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a></p>	
Recommendation 3.2			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	<b>COMPLIANT</b>	<p>Please see pages 18 to 24 of the Company's Revised Manual on Corporate Governance which can be accessed as CR04103-2017 dated May 31, 2017, at:</p> <p><a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>.</p>	

		<p>Please refer to the disclosure of the results of the latest Board organizational meeting which can be accessed as C05213-2018 dated August 1, 2018, at: <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a></p> <p>The External Auditor shall be selected and appointed by the stockholders upon recommendation of the Audit Committee.</p>	
<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	<b>COMPLIANT</b>	<p>Please refer to the disclosure of the results of the latest Board organizational meeting which can be accessed as C05213-2018 dated August 1, 2018, at: <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a></p>	<p>The members of the Audit Committee are:</p> <ol style="list-style-type: none"> <li>1. Kenneth George D. Wood (Independent Director) – Chairman;</li> <li>2. Nixon Y. Lim - Member</li> <li>3. Eliza C. Macuray (Chief Finance Officer/Treasurer/Director) – Member</li> <li>4. Adam Anthony S. Cabe III - (Independent Director) – Member</li> <li>5. Rhea Alarcon - (Independent Director) – Member</li> </ol>
<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>	<b>COMPLIANT</b>	<p>Please refer to the Company's Definitive Information Statement for the Annual Stockholder's Meeting on 31 July 2018 which can be accessed as CR04534-2017 dated June 15, 2017, at: <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a></p>	

<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	<p><b>COMPLIANT</b></p>	<p>Please refer to the Company's Definitive Information Statement for the Annual Stockholder's Meeting on 31 July 2018 which can be accessed as CR04249-2018 dated July 3, 2018, at:  <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a></p> <p>Please refer to the disclosure of the results of the latest Board organizational meeting which can be accessed as C05213-2018 dated August 1, 2018, at:  <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a></p>	
<p>Supplement to Recommendation 3.2</p>			
<p>1. Audit Committee approves all non-audit services conducted by the external auditor.</p>	<p><b>COMPLIANT</b></p>	<p>Please see page 20 of the Company's Revised Manual on Corporate Governance which can be accessed as CR04103-2017 dated May 31, 2017, at:  <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>.</p>	<p>The external auditor does not perform non-audit services for the Company. However, should such services be required, it is the Audit Committee that will approve such services.</p>
<p>2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.</p>	<p><b>NON-COMPLIANT</b></p>	<p>Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.</p>	<p>The Chief Financial Officer is a member of the Audit Committee. The Company believes that her professional expertise and inputs and recommendations would benefit the Company.</p>
<p>Optional: Recommendation 3.2</p>			
<p>1. Audit Committee meet at least four times during the year.</p>		<p>Indicate the number of Audit Committee meetings during the year and provide proof</p>	

2. Audit Committee approves the appointment and removal of the internal auditor.		Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.	
<b>Recommendation 3.3</b>			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	<b>COMPLIANT</b>	<p>Please also see pages 13 to 18 the Company's Revised Manual on Corporate Governance which can be accessed as CR04103-2017 dated May 31, 2017, at:  <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a></p> <p>Please refer to the disclosure of the results of the latest Board organizational meeting which can be accessed as C05213-2018 dated August 1, 2018, at:  <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a></p>	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	<b>COMPLIANT</b>	<p>Please refer to the Company's Definitive Information Statement for the Annual Stockholder's Meeting on 31 July 2018 which can be accessed as CR04249-2018 dated July 3, 2018, at:  <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a></p> <p>Please refer to the disclosure of the results of the latest Board organizational meeting which can</p>	

		be accessed as C05213-2018 dated August 1, 2018, at: <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	
3. Chairman of the Corporate Governance Committee is an independent director.	<b>NON-COMPLIANT</b>	Please refer to the disclosure of the results of the latest Board organizational meeting which can be accessed as C05213-2018 dated August 1, 2018, at: <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	
<b>Optional: Recommendation 3.3.</b>			
1. Corporate Governance Committee meet at least twice during the year.		Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.	
<b>Recommendation 3.4</b>			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	<b>COMPLIANT</b>	The Audit Committee also acts as the BROC.	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	<b>COMPLIANT</b>	The Audit Committee also acts as the BROC.	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	<b>COMPLIANT</b>	The Audit Committee also acts as the BROC.	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	<b>COMPLIANT</b>	The Audit Committee also acts as the BROC.	The Company believes that members of the Audit Committee (which acts as the BROC) have adequate professional exposure to risk and risk management.

Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	<b>COMPLIANT</b>	The Audit Committee also acts as the RPT Committee.	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	<b>COMPLIANT</b>	The Audit Committee also acts as the RPT Committee.	<p>The members of the Audit Committee are:</p> <ol style="list-style-type: none"> <li>1. Kenneth George D. Wood (Independent Director) – Chairman;</li> <li>2. Nixon Y. Lim - Member</li> <li>3. Eliza C. Macuray (Chief Finance Officer/Treasurer/Director) – Member</li> <li>4. Adam Anthony S. Cabe III - (Independent Director) – Member</li> <li>5. Rhea Alarcon - (Independent Director) – Member</li> </ol> <p>The Company believes that the business experience of Ms. Macuray, an executive director, and her membership in the Audit Committee (which acts as the RPT Committee) would be advantageous to the Company.</p>
Recommendation 3.6			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	<b>NON-COMPLIANT</b>	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	The Company is currently in the process of drafting the Committee Charters.

2. Committee Charters provide standards for evaluating the performance of the Committees.	<b>NON-COMPLIANT</b>	necessary for performance evaluation purposes.	The Company is currently in the process of drafting the Committee Charters.
3. Committee Charters were fully disclosed on the company's website.	<b>NON-COMPLIANT</b>	Provide link to company's website where the Committee Charters are disclosed.	The Company is currently in the process of drafting the Committee Charters.
<b>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.</b>			
<b>Recommendation 4.1</b>			
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.	<b>COMPLIANT</b>	Directors attend and participate in the Board meetings.	
2. The directors review meeting materials for all Board and Committee meetings.	<b>COMPLIANT</b>		
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	<b>COMPLIANT</b>	These are included in the minutes of Board meetings, but these cannot be disclosed publicly as they contain business matters that are confidential.	
<b>Recommendation 4.2</b>			
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	<b>COMPLIANT</b>	Please refer to the Company's Definitive Information Statement for the Annual Stockholder's Meeting on 31 July 2018 which can be accessed as CR04249-2018 dated July 3, 2018, at:	

proposals/views, and oversee the long-term strategy of the company.		<a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	
<b>Recommendation 4.3</b>			
1. The directors notify the company's board before accepting a directorship in another company.	<b>NON-COMPLIANT</b>	Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.	This notification process will be implemented.
<b>Optional: Principle 4</b>			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.			
2. Company schedules board of directors' meetings before the start of the financial year.			
3.			
4. Board of directors meet at least six times during the year.		Indicate the number of board meetings during the year and provide proof	
5. Company requires as minimum quorum of at least 2/3 for board decisions.		Indicate the required minimum quorum for board decisions	
<b>Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs</b>			
<b>Recommendation 5.1</b>			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	<b>COMPLIANT</b>	Please refer to the disclosure of the results of the latest Board organizational meeting which can be accessed as C05213-2018 dated August 1, 2018, at:	



		<a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	
<b>Recommendation 5.2</b>			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	<b>COMPLIANT</b>	Please refer to the Company's Definitive Information Statement for the Annual Stockholder's Meeting on 31 July 2018 which can be accessed as CR04249-2018 dated July 3, 2018, at: <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	
<b>Supplement to Recommendation 5.2</b>			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	<b>COMPLIANT</b>	There are no such agreements.	
<b>Recommendation 5.3</b>			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	<b>NON-COMPLIANT</b>	Provide information or link/reference to a document showing the years IDs have served as such.  No Independent Director has served for nine years.	This will be reflected in the information statement for the next stockholders' meeting.
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	<b>COMPLIANT</b>	Please see the Company's Revised Manual on Corporate Governance which can be accessed as CR04103-2017 dated May 31, 2017, at: <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	
3. In the instance that the company retains an independent director in the same	<b>COMPLIANT</b>	Please see page 14 of the Company's Revised Manual on	No Independent Director has served as such for more than nine years.

capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.		Corporate Governance which can be accessed as CR04103-2017 dated May 31, 2017, at: <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	
<b>Recommendation 5.4</b>			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	<b>COMPLIANT</b>	The Company's Chairman of the Board is Mr. Nixon Y. Lim, while its President & CEO is Mr. Mark O. Vergara.	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	<b>COMPLIANT</b>	Please see pages 10-12 of the Company's Revised Manual on Corporate Governance which can be accessed as CR04103-2017 dated May 31, 2017, at: <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	
<b>Recommendation 5.5</b>			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	<b>NON-COMPLIANT</b>	The Chairman is not an Independent Director.	The Board will designate a Lead Independent Director at the next organizational meeting.
<b>Recommendation 5.6</b>			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	<b>COMPLIANT</b>	Please see pages 10-12 of the Company's Revised Manual on Corporate Governance which can be accessed as CR04103-2017 dated May 31, 2017, at: <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>  The Company has yet to encounter this situation in its dealings.	

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.	<b>NON-COMPLIANT</b>		The Company values the experience, inputs and recommendations of certain executives. The Company believes this outweighs the risk of any resulting conflict and independence if such executives were present at meetings.
2. The meetings are chaired by the lead independent director.	<b>NON-COMPLIANT</b>		The designation of a lead independent director will be made at the next organizational meeting.
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.		Provide name/s of company CEO for the past 2 years	
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. Board conducts an annual self-assessment of its performance as a whole.	<b>NON-COMPLIANT</b>	Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees	Due to the limited operations of the Company, this is not in place. The Board will consider formulating guidelines for self-assessment in case of increase in the volume of business.
2. The Chairman conducts a self-assessment of his performance.	<b>NON-COMPLIANT</b>		Due to the limited operations of the Company, this is not in place. The Board will consider formulating guidelines for self-assessment in case of increase in the volume of business.
3. The individual members conduct a self-assessment of their performance.	<b>NON-COMPLIANT</b>		Due to the limited operations of the Company, this is not in place. The Board will consider formulating guidelines for self-assessment in case of increase in the volume of business.

4. Each committee conducts a self-assessment of its performance.	<b>NON-COMPLIANT</b>		Due to the limited operations of the Company, this is not in place. The Board will consider formulating guidelines for self-assessment in case of increase in the volume of business.
5. Every three years, the assessments are supported by an external facilitator.	<b>NON-COMPLIANT</b>	Identify the external facilitator and provide proof of use of an external facilitator.	The Board will consider the participation of an external facilitator.
<b>Recommendation 6.2</b>			
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.	<b>NON-COMPLIANT</b>	Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders	Due to the limited operations of the Company, this is not in place. The Board will consider formulating assessment criteria in case of increase in the volume of business .
2. The system allows for a feedback mechanism from the shareholders.	<b>NON-COMPLIANT</b>		At annual stockholders' meetings, stockholders are given opportunity too ask questions.
<b>Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.</b>			
<b>Recommendation 7.1</b>			
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	<b>NON-COMPLIANT</b>	Provide information on or link/reference to the company's Code of Business Conduct and Ethics.	Due to the limited operations of the Company, this is not yet in place. The Board will consider formulating the Code of Business Conduct and Ethics at the next Board meeting.
2. The Code is properly disseminated to the Board, senior management and employees.	<b>NON-COMPLIANT</b>	Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.	Due to the limited operations of the Company, this is not yet in place. The Board will consider formulating the Code of Business Conduct and Ethics at the next Board meeting.

3. The Code is disclosed and made available to the public through the company website.	<b>NON-COMPLIANT</b>	The Company's website is currently being updated. Information may be viewed at <a href="http://www.steniel.com.ph">www.steniel.com.ph</a>	Due to the limited operations of the Company, this is not yet in place. The Board will consider formulating the Code of Business Conduct and Ethics at the next Board meeting.
<b>Supplement to Recommendation 7.1</b>			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	<b>NON-COMPLIANT</b>		This will be included in the Code of Business Conduct and Ethics.
<b>Recommendation 7.2</b>			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	<b>NON-COMPLIANT</b>	Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.	Due to the limited operations of the Company, this is not yet in place. The Board will consider formulating the Code of Business Conduct and Ethics at the next Board meeting.
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	<b>NON-COMPLIANT</b>	Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.	Due to the limited operations of the Company, this is not yet in place. The Board will consider formulating the Code of Business Conduct and Ethics at the next Board meeting.
<b>Disclosure and Transparency</b>			
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
<b>Recommendation 8.1</b>			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	<b>COMPLIANT</b>	Please also see pages 29 to 30 of the Company's Revised Manual on Corporate Governance which can be accessed as CR04103-2017 dated May 31, 2017, at:  <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	

Supplement to Recommendations 8.1			
<p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.</p>	<p><b>NON-COMPLIANT</b></p>		<p>Annual Audited Consolidated Financial Statements are required to be disclosed within one hundred and five (105) days after the end of the fiscal year, while Quarterly Unaudited Financial Statements are disclosed within forty-five (45) days from the end of the quarter as prescribed by SRC Rule 17.1 of the Securities Regulation Code and the Revised Disclosure Rules of the Exchange. The Company adheres to these regulatory deadlines.</p>
<p>2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p>	<p><b>NON-COMPLIANT</b></p>	<p>Provide link or reference to the company's annual report where the following are disclosed:</p> <ol style="list-style-type: none"> <li>1. principal risks to minority shareholders associated with the identity of the company's controlling shareholders;</li> <li>2. cross-holdings among company affiliates; and</li> <li>3. any imbalances between the controlling shareholders' voting power and overall equity position in the company.</li> </ol>	<p>Due to the Company's limited operations and trading suspension at the PSE, these matters are not reflected in the reports of the Company. These disclosures will be considered by the Board for inclusion in the reports of the Company, i.e. Information Statement, Annual Report.</p>

<b>Recommendation 8.2</b>			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	<b>COMPLIANT</b>	Please see page 29 of the Company's Revised Manual on Corporate Governance which can be accessed as CR04103-2017 dated May 31, 2017, at:  <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	<b>COMPLIANT</b>		
<b>Supplement to Recommendation 8.2</b>			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	<b>COMPLIANT</b>	Trading of the Company's shares are suspended at the PSE.  Please refer to the latest General Information Sheet  Please the Company's Annual Report which can be accessed as C02988-2019 dated May 6, 2019 at: <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	
<b>Recommendation 8.3</b>			

1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	<b>COMPLIANT</b>	Please see pages 4 to 9 of the Definitive Information Statement for the Annual Stockholder's Meeting on 31 July 2018 which can be accessed as CR04249-2018 dated July 3, 2018, at: <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	
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.	<b>COMPLIANT</b>	Please refer to the Company's Definitive Information Statement for the Annual Stockholder's Meeting on 31 July 2018 which can be accessed as CR04249-2018 dated July 3, 2018, at: <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	
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.	<b>COMPLIANT</b>	Please refer to the Company's Definitive Information Statement for the Annual Stockholder's Meeting on 31 July 2018 which can be accessed as CR04249-2018 dated July 3, 2018, at: <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	<b>NON-COMPLIANT</b>	Disclose or provide link/reference to the company policy and practice for determining executive remuneration.	The Board will review and consider these disclosures in the Company reports, i.e. Information Statement and Annual Report.
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	<b>NON-COMPLIANT</b>	Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.	The Board will review and consider these disclosures in the Company reports, i.e. Information Statement and Annual Report.



			taking into consideration confidentiality and security risks.
<b>Recommendation 8.5</b>			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	<b>COMPLIANT</b>	Please see pages 23 to 24 of the Company's Revised Manual on Corporate Governance which can be accessed as CR04103-2017 dated May 31, 2017, at: <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	
2. Company discloses material or significant RPTs reviewed and approved during the year.	<b>COMPLIANT</b>	Please the Company's Annual Report which can be accessed as C02988-2019 dated May 6, 2019, at: <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	
<b>Supplement to Recommendation 8.5</b>			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	<b>NON-COMPLIANT</b>	Indicate where and when directors disclose their interests in transactions or any other conflict of interests.	For review and consideration of the Board.
<b>Optional : Recommendation 8.5</b>			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.		Provide link or reference where this is disclosed, if any	
<b>Recommendation 8.6</b>			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal	<b>COMPLIANT</b>	Please refer to the PSE EDGE Website for the Company Disclosures relating to its Material Information. Please also refer to the company disclosures and	

of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.		reports at its website <a href="http://www.steniel.com.ph">http://www.steniel.com.ph</a>	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	<b>NON-COMPLIANT</b>	Identify independent party appointed to evaluate the fairness of the transaction price.  Disclose the rules and procedures for evaluating the fairness of the transaction price, if any.	Due to the limited business of the Company, there has not been many instances in which an independent third party is hired for such purpose. The Board will consider implementing this policy for significant transactions of the Company.
<b>Supplement to Recommendation 8.6</b>			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	<b>COMPLIANT</b>	There are no shareholder agreements, voting trust agreements, and such other agreements that may impact the control, ownership, and strategic direction of the company.	There are no such agreements involving or relating to the Company.
<b>Recommendation 8.7</b>			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	<b>COMPLIANT</b>	Please see Company's Revised Manual on Corporate Governance which can be accessed as CR04103-2017 dated May 31, 2017, at: <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	
2. Company's MCG is submitted to the SEC and PSE.	<b>COMPLIANT</b>	The Revised Manual on Corporate Governance was submitted to the SEC on 30 May 2017	
3. Company's MCG is posted on its company website.	<b>NON-COMPLIANT</b>		The Company's website is currently being updated for easier reference.
<b>Supplement to Recommendation 8.7</b>			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	<b>COMPLIANT</b>	Please refer to page 1 of the Company's Revised Manual on Corporate Governance submitted to	

		the SEC on 30 May 2017. This can be accessed as CR04103-2017 dated May 31, 2017, at: <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	
<b>Optional: Principle 8</b>			
1. Does the company's Annual Report disclose the following information:			
a. Corporate Objectives			
b. Financial performance indicators			
c. Non-financial performance indicators			
d. Dividend Policy			
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors			
f. Attendance details of each director in all directors meetings held during the year			
g. Total remuneration of each member of the board of directors			
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.			
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.		Provide link or reference to where this is contained in the Annual Report	
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.		Provide link or reference to where this is contained in the Annual Report	
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).		Provide link or reference to where these are contained in the Annual Report	
<b>Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.</b>			
<b>Recommendation 9.1</b>			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	<b>COMPLIANT</b>	The Audit Committee reviews the qualifications and competence of the external auditor.	The stockholders approve the appointment of the external auditor as recommended by the Audit Committee.
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.	<b>COMPLIANT</b>	Please refer to the Company's By-laws, Information Statement and Revised Manual on Corporate Governance submitted to the SEC on 30 May 2017.  The Manual can be accessed as CR04103-2017 dated May 31, 2017,	

		at: <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	
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.	<b>COMPLIANT</b>	<p>The Company is aware of the disclosure requirements under the Securities Regulations Code and the PSE Disclosure Rules.</p> <p>Please also refer to the Company's By-laws and Revised Manual on Corporate Governance submitted to the SEC on 30 May 2017.</p> <p>Please refer to the Company's Definitive Information Statement for the Annual Stockholder's Meeting on 31 July 2018 which can be accessed as CR04249-2018 dated July 3, 2018, at: <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a></p> <p>The Manual can be accessed as CR04103-2017 dated May 31, 2017, at: <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a></p>	
<b>Supplement to Recommendation 9.1</b>			
1. Company has a policy of rotating the lead audit partner every five years.	<b>COMPLIANT</b>	Please refer to the Company's Revised Manual on Corporate Governance submitted to the SEC on 30 May 2017. This can be accessed as CR04103-2017 dated May 31, 2017, at: <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	

Recommendation 9.2			
<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <ul style="list-style-type: none"> <li>i. assessing the integrity and independence of external auditors;</li> <li>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</li> <li>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</li> </ul>	<b>NON-COMPLIANT</b>	Provide link/reference to the company's Audit Committee Charter	The Company is currently in the process of drafting the Committee Charter.
<p>2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	<b>NON-COMPLIANT</b>		The Company is currently in the process of drafting the Committee Charter.
Supplement to Recommendations 9.2			
<p>1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.</p>	<b>COMPLIANT</b>	The Audit Committee reviews the qualifications and competence of the external auditor.	
<p>2. Audit Committee ensures that the external auditor has adequate quality control procedures.</p>	<b>COMPLIANT</b>	The Audit Committee reviews the qualifications and competence of the external auditor.	

<b>Recommendation 9.3</b>			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	<b>COMPLIANT</b>		The Company does not engage the external auditor for any services other than the regular conduct of independent audit of the year-end financial statements. Should it require such services, the Company will disclose such services in its Information Statement.
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	<b>COMPLIANT</b>		The Company does not engage the external auditor for any services other than the regular conduct of independent audit of the year-end financial statements. Should it require such services, the Company will disclose such services in its Information Statement.
<b>Supplement to Recommendation 9.3</b>			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	<b>NON-COMPLIANT</b>	Provide information on audit and non-audit fees paid.	The Company does not engage the external auditor for any services other than the regular conduct of independent audit of the year-end financial statements.
<b>Additional Recommendation to Principle 9</b>			
1. Company's external auditor is duly accredited by the SEC under Group A category.	<b>COMPLIANT</b>	<ol style="list-style-type: none"> <li>1. Name of audit engagement partner: John Molina;</li> <li>2. Accreditation number: SEC Accreditation No. 1101-AAR-2 Group A;</li> <li>3. Expiry date of accreditation: 20 August 2020;</li> <li>4. Firm: R.G. Manabat &amp; Co.</li> <li>5. Address: The KPMG Center, 9<sup>th</sup> Floor, 6787 Ayala Avenue, Makati, Philippines;</li> <li>6. Contact number: (632-885-7000</li> </ol>	

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).	<b>COMPLIANT</b>	Provide information on the following: 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	Details for this item will be provided in a supplement.
<b>Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.</b>			
<b>Recommendation 10.1</b>			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	<b>NON-COMPLIANT</b>	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.	Due to the limited operations of the Company, this is not fully in place. The Board will consider adopting such policies in the future.
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	<b>NON-COMPLIANT</b>	Provide link to Sustainability Report, if any. Disclose the standards used.	Due to the limited operations of the Company, this is not fully in place. The Board will consider adopting such policies in the future.
<b>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.</b>			
<b>Recommendation 11.1</b>			
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.	<b>COMPLIANT</b>	The Company utilizes the PSE Edge Website and its own website to disseminate its current, quarterly, and annual reports to its shareholders and the public.	



Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:	<b>COMPLIANT</b>	Provide link to company website	The Company website is at staniel.com.ph, but is currently being reformatted for easier access.
a. Financial statements/reports (latest quarterly)			
b. Materials provided in briefings to analysts and media			
c. Downloadable annual report			
d. Notice of ASM and/or SSM			
e. Minutes of ASM and/or SSM			
f. Company's Articles of Incorporation and By-Laws			
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	<b>COMPLIANT</b>		The Company website is currently being updated for easier access .
Internal Control System and Risk Management Framework			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	<b>NON-COMPLIANT</b>	List quality service programs for the internal audit functions.  Indicate frequency of review of the internal control system	Due to the limited operations of the Company, this is not yet fully in place. However, the Board will consider adopting such system as soon as possible .

<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p><b>NON-COMPLIANT</b></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"> <li>1. Company's risk management procedures and processes</li> <li>2. Key risks the company is currently facing</li> <li>3. How the company manages the key risks</li> </ol> <p>Indicate frequency of review of the enterprise risk management framework.</p>	<p>Due to the limited operations of the Company, this is not yet fully in place. However, the Board will consider adopting such system as soon as possible.</p>
<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><b>NON-COMPLIANT</b></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>	<p>Due to the limited operations of the Company, this is not yet fully in place. However, the Board will consider adopting such system as soon as possible.</p>
<p>Optional: Recommendation 12.1</p>			
<p>1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.</p>		<p>Provide information on IT governance process</p>	

Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	<b>COMPLIANT</b>	Internal audit is in-house.	
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	<b>NON-COMPLIANT</b>	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.	The designation of a CAE will be made at the next organizational meeting.
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.	<b>NON-COMPLIANT</b>		The designation of a CAE will be made the next organizational meeting.
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.	<b>NON-COMPLIANT</b>	Identify qualified independent executive or senior management personnel, if applicable.	The Company's internal audit is in-house.
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	<b>NON-COMPLIANT</b>	Provide information on company's risk management function.	Due to the limited operations of the Company, this is not yet in place. However, the Board will discuss and consider this as soon as possible.

Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	<b>NON-COMPLIANT</b>	Identify source of external technical support, if any.	Due to the limited operations of the Company, risk management framework is not yet fully in place. However, the Board will discuss and consider this as soon as possible.
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).	<b>NON-COMPLIANT</b>	Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.	The Company has no Chief Risk Officer. The Board handles risk management functions.
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	<b>NON-COMPLIANT</b>		The Company has no Chief Risk Officer. The Board handles risk management functions.
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.	<b>NON-COMPLIANT</b>	Provide link to CEO and CAE's attestation	The Board will consider implementing this within the year.
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.	<b>COMPLIANT</b>	Please see pages 30 to 32 of the Company's Revised Manual on Corporate Governance which can be accessed as CR04103-2017 dated May 31, 2017, at:	

		<a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	<b>NON-COMPLIANT</b>	Provide link to company's website	The Company website is steniel.com.ph, and is currently being updated for easier access.
<b>Supplement to Recommendation 13.1</b>			
1. Company's common share has one vote for one share.	<b>COMPLIANT</b>	Please refer to the Company's Definitive Information Statement for the Annual Stockholder's Meeting on 31 July 2018 which can be accessed as CR04249-2018 dated July 3, 2018, at: <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	<b>COMPLIANT</b>	The Company has only common shares.  Please refer to the Company's Definitive Information Statement for the Annual Stockholder's Meeting on 31 July 2018 which can be accessed as CR04249-2018 dated July 3, 2018, at: <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	
3. Board has an effective, secure, and efficient voting system.	<b>COMPLIANT</b>	Please refer to the Company's Definitive Information Statement for the Annual Stockholder's Meeting on 31 July 2018 which can be accessed as CR04249-2018 dated July 3, 2018, at: <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	

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.	<b>NON-COMPLIANT</b>		The Corporation Code, the Company's Revised Manual on Corporate Governance, and By-Laws uphold and protect the rights of shareholders, i.e., cumulative voting for election of directors. Under the Corporation Code, there are certain actions that require approval of shareholders owning 2/3 of the outstanding capital stock of the Company.
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.	<b>COMPLIANT</b>	Please see page 3 of the Company's By-Laws.  The Company has yet to encounter such an event.	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	<b>COMPLIANT</b>	The Company adheres to the Corporation Code as regards treatment of minority shareholders.  Please also see the Company's Revised Manual on Corporate Governance which can be accessed as CR04103-2017 dated May 31, 2017, at:  <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	
7. Company has a transparent and specific dividend policy.	<b>COMPLIANT</b>	Under the Company's By-Laws (page 25), dividends shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property or stock to all stockholders on the basis of outstanding capital stock held by them, as often and at such times as	

		the Board may determine in accordance with law, rules and regulations.	
<b>Optional: Recommendation 13.1</b>			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.		Identify the independent party that counted/validated the votes at the ASM, if any.	
<b>Recommendation 13.2</b>			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	<b>NON-COMPLIANT</b>	<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>	<p>The Information Statement is distributed no later than 15 working days prior to the stockholders' meeting as required under the Implementing Rules and Regulations of the Securities Regulation Code.</p> <p>Please refer to the Company's Definitive Information Statement for the Annual Stockholder's Meeting on 31 July 2018 which can be accessed as CR04249-2018 dated July 3, 2018, at: <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a></p>
<b>Supplemental to Recommendation 13.2</b>			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:			
a. The profiles of directors (i.e., age, academic qualifications, date of first	<b>COMPLIANT</b>		Date of first appointment of a director will be reflected in the information statement for the next stockholders' meeting.

appointment, experience, and directorships in other listed companies)			
b. Auditors seeking appointment/re-appointment	<b>COMPLIANT</b>		
c. Proxy documents	<b>NON-COMPLIANT</b>		This will be included in the information statement for the next stockholders' meeting
<b>Optional: Recommendation 13.2</b>			
1. Company provides rationale for the agenda items for the annual stockholders meeting	<b>COMPLIANT</b>	Please refer to the Company's Definitive Information Statement for the Annual Stockholder's Meeting on 31 July 2018 which can be accessed as CR04249-2018 dated July 3, 2018, at: <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	
<b>Recommendation 13.3</b>			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	<b>COMPLIANT</b>	Please refer to the minutes of the annual stockholders' meeting held on July 31, 2018, accessible at <a href="http://www.steniel.com.ph/wordpress/wp-content/uploads/2018/Minutes/20180731STNMinutesAnnualMeetingrev.DRA30Jul2018[1].pdf">http://www.steniel.com.ph/wordpress/wp-content/uploads/2018/Minutes/20180731STNMinutesAnnualMeetingrev.DRA30Jul2018[1].pdf</a>	
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.	<b>COMPLIANT</b>	Please refer to the minutes of the annual stockholders' meeting held on July 31, 2018, accessible at <a href="http://www.steniel.com.ph/wordpress/wp-content/uploads/2018/Minutes/20180731STNMinutesAnnualMeetingrev.DRA30Jul2018[1].pdf">http://www.steniel.com.ph/wordpress/wp-content/uploads/2018/Minutes/20180731STNMinutesAnnualMeetingrev.DRA30Jul2018[1].pdf</a>	



		731STNMinutesAnnualMeetingrev.DRA30 Jul2018[1].pdf	
<b>Supplement to Recommendation 13.3</b>			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	<b>COMPLIANT</b>	Representatives from R.G. Manabat & Co. are requested too attend Annual Stockholder's Meetings to answer questions from stockholders.	
<b>Recommendation 13.4</b>			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	<b>COMPLIANT</b>	Please see pages 33 to 34 of the Company's Revised Manual on Corporate Governance which can be accessed as CR04103-2017 dated May 31, 2017, at:  <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	<b>COMPLIANT</b>	Please see pages 33 to 34 of the Company's Revised Manual on Corporate Governance which can be accessed as CR04103-2017 dated May 31, 2017, at:  <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	
<b>Recommendation 13.</b>			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	<b>NON-COMPLIANT</b>	Disclose the contact details of the officer/office responsible for investor relations, such as: 1. Name of the person 2. Telephone number	Establishment of the Investor Relations Office will be considered at the next organizational Board meeting.

		3. Fax number 4. E-mail address	
2. IRO is present at every shareholder's meeting.	<b>NON-COMPLIANT</b>	Indicate if the IRO was present during the ASM.	There is no Investor Relations Office. Establishment of the Investor Relations Office for further consideration of the Board.
<b>Supplemental Recommendations to Principle 13</b>			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	<b>NON-COMPLIANT</b>	Provide information on how anti-takeover measures or similar devices were avoided by the board, if any.	For review and consideration of the Board.
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	<b>NON-COMPLIANT</b>	Indicate the company's public float.	The company adopts the ten percent (10%) minimum public float of the PSE. Current public float is 15.53%.
<b>Optional: Principle 13</b>			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting		Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.		Disclose the process and procedure for secure electronic voting in absentia, if any.	
<b>Duties to Stakeholders</b>			
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.			
<b>Recommendation 14.1</b>			
1. Board identifies the company's various stakeholders and promotes cooperation	<b>NON-COMPLIANT</b>	Identify the company's shareholder and provide information or reference	For review and consideration of the Board.

between them and the company in creating wealth, growth and sustainability.		to a document containing information on the company's policies and programs for its stakeholders.	
<b>Recommendation 14.2</b>			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	<b>COMPLIANT</b>	Please also see pages 30 to 32 of the Company's Revised Manual on Corporate Governance which can be accessed as CR04103-2017 dated May 31, 2017, at:  <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	
<b>Recommendation 14.3</b>			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	<b>NON-COMPLIANT</b>	Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights.  Provide information on whistleblowing policy, practices and procedures for stakeholders	For review and consideration of the Board.
<b>Supplement to Recommendation 14.3</b>			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	<b>COMPLIANT</b>	Please also see pages 33 to 34 of the Company's Revised Manual on Corporate Governance which can be accessed as CR04103-2017 dated May 31, 2017, at:	

		<a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	
<b>Additional Recommendations to Principle 14</b>			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	<b>COMPLIANT</b>	The Company did not seek any exemption from the application of a law, rule or regulation.	
2. Company respects intellectual property rights.	<b>COMPLIANT</b>	Provide specific instances, if any.	
<b>Optional: Principle 14</b>			
1. Company discloses its policies and practices that address customers' welfare		Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same.	
2. Company discloses its policies and practices that address supplier/contractor selection procedures		Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same.	
<b>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.</b>			
<b>Recommendation 15.1</b>			
1. Board establishes policies, programs and procedures that encourage employees to	<b>COMPLIANT</b>	Please see the Company's Revised Manual on Corporate Governance	

actively participate in the realization of the company's goals and in its governance.		which can be accessed as CR04103-2017 dated May 31, 2017, at:  <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=164</a>	
<b>Supplement to Recommendation 15.1</b>			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	<b>NON-COMPLIANT</b>	Disclose if company has in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.	The company will consider implementing such program in the future.
2. Company has policies and practices on health, safety and welfare of its employees.	<b>COMPLIANT</b>	Aside from the benefits mandated by law, the Company provides additional benefits such as HMO and additional sick leaves (total of ten days).	
3. Company has policies and practices on training and development of its employees.	<b>COMPLIANT</b>	The Company requires its employees to attend Corporate Governance, and TRAIN Law updates, and basic supervisory seminars. The Company also conducts teambuilding activities for its employees.	
<b>Recommendation 15.2</b>			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	<b>NON-COMPLIANT</b>	Identify or provide link/reference to the company's policies, programs and practices on anti-corruption	The Board will consider its inclusion in the 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.	<b>NON-COMPLIANT</b>	Identify how the board disseminated the policy and program to employees across the organization	The Board will consider the inclusion of anti-corruption policies and programs in the Code of Conduct.
<b>Supplement to Recommendation 15.2</b>			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	<b>NON-COMPLIANT</b>	Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices.  Include any finding of violations of the company policy.	The Board will consider the inclusion of these policies in the Code of Conduct.
<b>Recommendation 15.3</b>			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	<b>NON-COMPLIANT</b>	Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees.  Indicate if the framework includes procedures to protect the employees from retaliation.  Provide contact details to report any illegal or unethical behavior.	The Board will consider the formulation of whistleblowing framework.
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.	<b>NON-COMPLIANT</b>		The Board will consider the formulation of whistleblowing framework.
3. Board supervises and ensures the enforcement of the whistleblowing framework.	<b>NON-COMPLIANT</b>	Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.	The Board will consider the formulation of whistleblowing framework.

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

**Recommendation 16.1**

<p>1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.</p>	<p><b>NON-COMPLIANT</b></p>	<p>Provide information or reference to a document containing information on the company's community involvement and environment-related programs.</p>	<p>The Company is compliant with applicable environmental laws, rules, and regulations but the Board is still considering a community involvement program.</p>
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**Optional: Principle 16**

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